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PROCEEDINGS

OF THE

BANKING AND COMMERCE COMMITTEE

OF THE

SENATE OF CANADA

IN CONNECTION WITH

BILL (Z), AN ACT RELATING TO THE

WATER-CARRIAGE OF GOODS

No. 1—MARCH 19, 1908

OTTAWA
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MINUTES OF PROCEEDINGS

OTTAWA, March 19, 1908.

The Standing Committee on Banking and Commerce met at 10.30 o'clock a.m., the Chairman, Honourable Sir George Drummond, K.C.M.G., presiding.

On the Bill (Z), "An Act relating to the Water-Carriage of Goods," being called, Honourable Sir George Drummond, K.C.M.G., Chairman, said:—

The first Bill on the Orders of the Day is Bill (Z), An Act relating to the Water-Carriage of Goods. Now, with regard to this Bill, subject of course to the approval of the committee, I have no hope whatever that the committee can deal with it in the usual way on short notice. It is a very important Bill. It affects the vast number of people interested in the export trade of the country, and I think that the proper course will be to read the Bill so as to convey a general idea of it, and take evidence, such as may be presented to us, from the friends and the opponents of the measure. I have taken the liberty of asking the official reporters to be here, because it seems to me that the discussion of this Bill will last over some considerable time.

Hon. Mr. KERR.—So far as I understand the Bill, I am in entire sympathy with the views of it. Without committing myself to it, without hearing further about it, but before we take up any great amount of time in discussing it, I think it would be well to be advised as to our power to legislate. Under the British North America Act this is a question of contract, affecting civil rights, which have to be dealt with by the province where the contract is made. It will be borne in mind that this contest arose when compulsory conditions of insurance were imposed, and although we have the power to legislate respecting insurance here, and although we have power to deal with all matters of trade and commerce, under both of which heads it was argued we had power to impose statutory conditions, it will be borne in mind that the Privy Council held the contrary. It arose over conditions that had been imposed by the Ontario legislature, and which are known as the statutory conditions. If that applies to insurance, what I would like to know is, if those who support the Bill are in a position to present any reason on which an argument can be founded, that the conditions attached to a shipping bill are different from the conditions attaching to a policy of insurance to any extent which enables this parliament to interfere in a matter of contract. Parsons and the Queen, and Citizens and the Queen were the cases which went to England, and the Privy Council there defined the division between legislative and parliamentary authority. Whatever way that may be, it must be useful to hear what is to be said on the subject, so that it can be made public and the attention of the local legislatures may be drawn to it, even if we have not the power.

Hon. Mr. LOUGHEED.—May I direct your attention to the legislation already passed by the federal government, embodied in the Shipping Act, dealing with contracts? It is precisely along the same lines as the proposed Bill.

Hon. Mr. KERR.—As far as our policies of insurance are concerned, we have legislation concerning insurance, and one of the conditions is that no provision shall be valid unless endorsed on the back of the policy. That is not interfering with the conditions of the contract.

Hon. Mr. FERGUSON.—It is well to raise that point and have it in mind, but I do not think it would be right to bring up an argument now, because gentlemen have not come prepared for that. It might take place at a later stage.

Hon. Mr. GIBSON.—I was just going to raise the point that the honourable gentleman from Marshfield has raised. It is a very unusual thing, in presenting a Bill before a committee of this kind, to ask the opinion of the chairman of the committee as to the powers of the committee to deal with the subject. It strikes me that we have power to deal with any subject, and from the discussion which has already taken place in the House, I think this is one. If it does not pass this session it should at all events receive the favourable consideration of this committee, inasmuch as, if I am correctly informed, the shippers of the United States have no such conditions placed upon their bills of lading as are attached to the bills of lading by the ship owners leaving the ports of Canada.

The CHAIRMAN.—I think that is wrong

Hon Mr. GIBSON.—Well, I am so informed. If that is so, what is good for one country should be good for the other. I am further informed that on account of these conditions not being on the United States bills of lading, shippers in that country receive better insurance and freight rates. Be that as it may, I think the gentleman who introduced the Bill in the Senate, who is more familiar than most members of this committee with the subject, and has a great deal of experience as a shipper, and has bills of lading in his possession which he would be able to show to the committee, will present facts which will bear out what I have said. In some of the shipping bills of lading, the very same companies have no restrictions on the back of them on shipments passing through United States ports. The same company, shipping from Canadian ports imposes all those conditions on Canadian exporters. Without questioning the power of the committee to deal with the subject, this is the first time in my life that I ever heard a doubt expressed as to the power of any committee of either House to deal with any subject that may come before parliament. I would ask Senator Campbell, who has brought this Bill into the House, and who is not a member of this committee, to be heard and his statements brought before the committee.

Hon. Mr. KERR.—I do not wish to be understood as trying to balk the proceedings of the committee to-day; but I think it is fair to those interested in the Bill and in their interest to see that the legislaion is going to be effective if it is gone on with at all, and I thought it proper to suggest it at this moment. I have not seen the Bill since the second reading, but if I had had time I would have considered it before coming here. I do not for a moment wish to interfere with any information or argument that may be presented on the question.

The CHAIRMAN.—I fancy the hon. member is in error on that subject, because the whole question of the responsibility of carriers has been dealt with in the revised statutes in the Shipping Act. We will take note of the objection.

Hon. Mr. MCMULLEN.—I do not think we should devote any time just now to considering that point. There are several gentlemen here to be heard for and against the Bill. I would suggest respectfully that we read the first clause of the Bill and let the parties be heard.

The CHAIRMAN.—It seems proper that we should ask the friends of the Bill to present their case first, and I would call upon Senator Campbell to state the character of the Bill.

Hon. Mr. CAMPBELL.—I do not think the point raised by Mr. Kerr has any effect with this committee, because, as Mr. Lougheed has already pointed out, parliament has already dealt with this subject and there is no doubt that parliament is the proper party dealing with all Acts relating to trade and commerce. Neither do I think that this is such an important Bill as some members think it is. It is a Bill that ought to have been passed ten or fifteen years ago. There is no question about that. What does this Bill propose to do ? It simply proposes to put the steamship companies on exactly the same footing as our railways. If a railway company take a thousand bags of flour, or quantity of cheese or anything like that to carry to the seaboard or anywhere, they are responsible. They must handle those goods carefully, properly stow them and properly deliver them. If they fail to do so, they have to

pay the piper. The steamship companies ought to be placed in exactly the same position, but, as years have gone on, the steamship companies have put clauses in their bills of lading that entirely relieve them from all responsibility. They can take the goods and throw them around and destroy them and bring them in contact with the excretions of cattle or anything of that kind, and they are not responsible. They can take those goods, although they shipped to the order of a bank, and to be delivered to the order of the bank in the old country, and by a clause in their bill of lading they can deliver those goods without the order of the bank, thus rendering our shipping bills practically of no value. This is a very important consideration. All our goods are shipped to the order of a bank. Bills of exchange are made, and the banks usually buy those bills of exchange knowing that the goods cannot be got until they are paid for, but under this bill of lading the ship has a right to deliver the goods without the production of the bill of lading, thus practically rendering the bill of lading no good. I have here before me now a bill of lading of the Dominion line to Liverpool, and here is the first clause :—

'The ship shall not be liable for hook marks, or injury from hooks or stowage, or contact with the smell or evaporation from any goods or from live stock or their excretions however caused.'

Just imagine for a moment a steamship taking goods under a condition like that, throwing them around in dirty places, tearing bags of flour, destroying goods by bringing them in contact with the excretions of cattle and yet, forsooth, they are not liable. It is monstrous, no railway in the country could do anything of the kind. No common carrier could carry goods under such a condition as that, and yet under that clause they have entirely relieved themselves from all responsibility for their own neglect. Then another clause:—

'But nevertheless, the goods may be delivered to the consignee named herein, without the production of an endorsed bill of lading, and such delivery shall free the master, owner and agents from all liability to deliver to any other person.'

Did you ever hear of such a thing as that? Supposing I ship a thousand bus. of wheat by Canadian Pacific Railway or Grand Trunk Railway to an order of a bank and the Canadian Pacific Railway should deliver that wheat without any endorsed bill of lading, they are liable, they have to pay it to the bank if they carelessly deliver it to somebody else, and yet the ships have relieved themselves of all this responsibility and can deliver the shipment without the production of the bill of lading. It is a monstrous proceeding, and a monstrous clause which should not be in any bill of lading. Here is another clause:—

'The shipowner is not to be liable for any damage to any goods, however caused, which is capable of being covered by insurance.'

Relieving themselves of all responsibility for their cost, and consequently the poor shipper has to insure against their carelessness, against their neglect and against their wrong delivery. The consequence is the insurance company have to pay the bill.

Hon. Mr. FERGUSON.—Could you get insurance against wrong delivery?

Hon. Mr. CAMPBELL.—Yes, under what is called the all-risk clause, which covers all these cases, but we have to pay a high premium for it, and if the ship was not relieved, but was bound to exercise due care and caution and carry goods as they ought to be carried, then the insurance rate would be very much lower. As Senator Gibson has pointed out, the bills of lading from the United States do not contain those provisions. I have here the Cosmopolitan Shipping Company's bill of lading from Philadelphia to Rotterdam, and I defy anybody to show a clause in that bill of lading similar to the clause I have pointed out in the Canadian bills of lading. On the contrary, here is an express condition:—

'It is mutually agreed that this shipment is subject to all the terms and provisions of, and all the exemptions from liability contained in the Act of Congress of the United States approved on the 13th day of February, 1893, and entitled "An Act relating to the navigation of vessels, etc."'

Hon. Mr. LOUGHEED.—Do you know if that is a statutory bill of lading.

Hon. Mr. CAMPBELL.—Yes, I think so.

Hon. Mr. LOUGHEED.—Are all the conditions imposed by statute?

Hon. Mr. CAMPBELL.—There are a great many conditions and clauses in the bill of lading. They are practically unobjectionable.

Hon. Mr. GIBSON.—The exempting clauses are not in.

Hon. Mr. CAMPBELL.—The clauses in our Canadian bills of lading are not here, because the Act of Congress passed in 1893 reads as follows:—

'Chapter 105. An Act relating to navigation of vessels, bills of lading, and to certain obligations, duties, and rights in connection with the carriage of property.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That it shall not be lawful for the manager, agent, master or owner of any vessel transporting merchandise or property from or between ports of the United States and foreign ports to insert in any bill of lading or shipping document any clause, covenant or agreement whereby it, he or they shall be relieved from liability for loss or damage arising from negligence, fault, or failure in proper loading, stowage, custody, care or proper delivery of any and all lawful merchandise or property committed to its or their charge. Any and all words or clauses of such import inserted in bills of lading or shipping receipts shall be null and void and of no effect.

Section 2. That it shall not be lawful for any vessel transporting merchandise or property from or between ports in the United States of America and foreign ports, her owner, master, agent or manager, to insert in any bill of lading or shipping document any convenant or agreement whereby the obligations of the owner or owners of said vessel to exercise due diligence, properly equip, man, provision, and outfit said vessel, and to make said vessel seaworthy and capable of performing her intended voyage, or whereby the obligations of the master, officers, agents or servants to carefully handle and stow her cargo and to care for and properly deliver same, shall in anywise be lessened, weakened or avoided.

Section 3. That if the owner of any vessel transporting merchandise or property to or from any port in the United States of America shall exercise due diligence to make the said vessel in all respects seaworthy and properly manned, equipped and supplied, neither the vessel, her owner, or owners, agent, or charterers, shall become or be held responsible for damage or loss resulting from faults or errors in navigation or in the management of said vessel, nor shall the vessel, her owner, or owners, charterers, agent or master be held liable for losses arising from dangers of the sea or other navigable waters, acts of God or public enemies, or the inherent defects, quality or vice of the thing carried, or from insufficiency of package, or seizure under legal process, or for loss resulting from any act or omission of the shipper or owner of the goods, his agent or representative, or from saving or attempting to save life or property at sea, or from any deviation in rendering such service.

Section 4. That it shall be the duty of the owner, or owners, master or agent of any vessel transporting merchandise or property from or between ports of the United States and foreign ports to issue to shippers of any lawful merchandise a bill of lading or shipping document stating, among other things, the marks necessary for identification, number of packages, or quantity, stating whether it be carrier's or shipper's weight, and apparent order or condition of such merchandise or property delivered to and received by the owner, master, or agent of the vessel, for transportation, and such document shall be *prima facie* evidence of the receipt of the merchandise therein described.

Section 5. That for a violation of any of the provisions of this Act the agent, owner, or master of the vessel guilty of such violation and who refuses to issue on demand the bill of lading herein provided for, shall be liable to a fine not exceeding two thousand dollars. The amount of the fine and costs for such violation shall be a lien upon the vessel whose agent, owner, or master is guilty of such violation, and

such vessel may be libeled therefor in any district court of the United States within whose jurisdiction the vessel may be found. One half of such penalty shall go to the party injured by such violation and the remainder to the government of the United States.

Section 6. That this Act shall not be held to modify or repeal sections forty-two hundred and eighty-one, forty-two hundred and eighty-two, and forty-two hundred and eighty-three of the Revised Statutes of the United States, or any other statute defining the liability of vessels, their owners or representatives.

Section 7. Sections one and four of this Act shall not apply to the transportation of live animals.

Section 8. That this Act shall take effect from and after the first day of July, eighteen hundred and ninety-three.

Approved February 13, 1893.'

As a consequence of this Act, United States steamship companies do not put these clauses in their bill of lading. If they did put them in they would be of no effect and would render them liable to this heavy fine of two thousand dollars. Is it fair that our steamship companies, sailing from Canadian ports, should be allowed to put these clauses in their bills of lading whereby the exportation of Canadian products is very greatly hampered and the costs of them greatly enhanced? This Bill simply provides that the steamship company shall be in exactly the same position as our railway lines. The railway commission has full power to deal with that. Without their approval they cannot issue a tariff. In this Bill we do not stipulate anything as to what the steamship shall charge, but our railways cannot put a tariff in force charging so much a hundred without the sanction of the Railway Commission. We have hedged about and protected the Canadian shippers, so far as the railway companies are concerned, in every possible way, but here the great steamship lines subsidized by the Dominion government, three of them lines running from Montreal, receiving heavy subsidies from the Canadian people, are not restricted in the same way, and I say it is the bounden duty of this committee and of parliament, to see that the rights of the people of Canada are protected. The Australian parliament has passed this same Bill. The following is the text of the Sea-Carriage of Goods Act adopted by the Australian commonwealth and which is now in force:—

THE COMMONWEALTH OF AUSTRALIA.

SEA-CARRIAGE OF GOODS.

No. 14 of 1904.

An Act relating to the Sea-Carriage of Goods. (Assented to 15th December, 1904.)

Be it enacted by the King's Most Excellent Majesty, the Senate and the House of Representatives of the Commonwealth of Australia, as follows:—

No. 1. This Act may be cited as the Sea-Carriage of Goods Act, 1904.

No. 2. This Act shall commence on the first day of January, 1905.

No. 3. In this Act 'goods' includes every description of wares, merchandise, and things except live animals.

No. 4. (1) This Act shall apply only in relation to ships carrying goods from any place in Australia to any place outside Australia, or from one state to another state, and in relation to goods so carried or received to be so carried, in those ships.

(2) This Act shall not apply to any bill of lading or document made before the 30th June, 1905, in pursuance of a contract or agreement entered into before the 17th day of November, 1904.

(5) Where any bill of lading or document contains any clause, covenant or agreement whereby

(*a*) the owner, charterer, master, or agent of any ship, or the ship itself, is relieved from liability for loss or damage to goods arising from the harmful or improper conditions of the ship's hold, or any other part of the ship in which goods

are carried, or arising from negligence, fault or failure in the proper loading, storage, custody, care or delivery of goods received by them or any of them, to be carried in or by the ship; or

(*b*) any obligations of the owner or charterer of any ship, to exercise due diligence, and to properly man, equip and supply the ship, to make and keep the ship seaworthy, and to make and keep the ship's hold, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation are in any wise lessened, weakened or voided; or

(*c*) the obligations of the master, officers, agents or servants of any ship to carefully handle and stow goods, and to care for, preserve, and properly deliver them, are in anywise lessened, weakened or voided, that clause, covenant, or agreement shall be illegal, null and void and of no effect.

(6) All parties to any bill of lading or document relating to the carriage of goods from any place in Australia to any place outside of Australia, shall be deemed to have intended to contract according to the laws in force at the place of shipment, and any stipulation or agreement to the contrary, or purporting to oust or lessen the jurisdiction of the courts of the Commonwealth or of a state, in respect of the bill of lading or document, shall be illegal, null and void and of no effect.

(7) The owner, charterer, master or agent of a ship shall not

(*a*) insert in any bill of lading or document any clause, covenant or agreement declared by this Act to be illegal, or

(*b*) make, sign or execute any bill of lading or document containing any clause, covenant or agreement declared by this Act to be illegal;

Penalty: One hundred pounds.

8. (1) In every bill of lading with respect to goods, a warranty shall be implied that the ship shall be, at the beginning of the voyage seaworthy in all respects and properly manned, equipped and supplied.

(2.) In every bill of lading with respect to goods, unless the contrary intention appears, a clause shall be implied whereby, if the ship is at the beginning of the voyage seaworthy in all respects and properly manned, equipped and supplied, neither the ship nor her owner, master, agent or charterer, shall be responsible for damage to or loss of the goods resulting from

(*a*) faults or errors in navigation, or

(*b*) perils of the sea or navigable waters, or

(*c*) acts of God or the King's enemies, or

(*d*) the inherent defect, quality or vice of the goods, or

(*e*) the insufficiency of package of the goods, or

(*f*) the seizure of the goods under legal process, or

(*g*) any act or omission of the shipper or owner of the goods, his agent or representative, or

(*h*) saving or attempting to save life or property at sea, or

(*i*) any deviation in saving or attempting to save life or property at sea.

The United States and Australia are our fiercest competitors in the mother country, and if we want to encourage the exportation of our produce we must see that our shippers are protected in the same way as their shippers are.

Hon. R. W. Scott.—In the Senate Chamber, I think that the honourable gentleman brought forward some illustration of United States bills of lading being accepted by Canadian ship owners?

Hon. Mr. Campbell.—Yes. I have no documentary evidence to show it, only I am informed by shippers from the west that our steamship lines sailing from Montreal, in order to share in the great traffic of the west and induce as much freight as they can to come by way of Montreal, have agreed with United States shippers that they will carry those goods under the conditions of the United States Act, and, consequently, a shipper from Chicago can send his goods down over the Canadian Pacific Railway and they will go on the same steamer as my products would from an Ontario

point, and yet his would be carried under the United States Act, because they are United States goods, while mine would be carried under this bill of lading which I have shown to the committee. The consequence is he would get insurance for nearly one-half that I would have to pay.

Hon. Mr. LOUGHEED.—That is goods shipped from a United States port?

Hon. Mr. CAMPBELL.—No, goods shipped from a Canadian port, and for this reason that the steamship companies grant that concession. If they did not do it, they would not get this freight, and yet they grant that concession to the United States shippers, and they refuse to grant it to Canadians.

Hon. Mr. GIBSON.—We would be glad to have the objectionable features of the Canadian bills of lading brought to the attention of the committee.

Hon. Mr. CAMPBELL.—Yes.

Hon. Mr. LOUGHEED.—In that connection—that is the American bill of lading—have Canadian steamship companies a special bill of lading for American goods?

Hon. Mr. CAMPBELL.—Yes.

Hon. Mr. LOUGHEED.—They issue a different bill of lading?

Hon. Mr. CAMPBELL.—So I am told.

Hon. Mr. MCSWEENEY.—Through freights from Chicago to St. John, N.B.

Hon. Mr. LOUGHEED.—No; it is for goods to American ports.

Hon. Mr. CAMPBELL.—They must have, or else they agree that those clauses shall not affect the American goods. One reason, I may say, is that most of the shippers throughout Canada do not know of the existence of these clauses until their attention is called to them. I did not know about these objectionable clauses until the receivers of the goods in the old country protested against it. From London, from Glasgow, and from Liverpool we have had complaints asking us why we ship our goods under such a disability as that. As a matter of fact, I never knew that those clauses were in, because we ship our goods by the C.P.R. and G.T.R., and we get a through bill of lading from those roads to deliver in Liverpool or London, via the Allan, the Dominion or Donaldson line, whatever it may be. In that railway bill of lading this clause appears:—

'These goods are carried forward subject to all the terms and conditions of the ocean bill of lading.'

And then the railway company say: 'We are not responsible after the goods leave our line.' That is all right. Nobody can object to that; but when we turn up the ocean bill of lading we find the terms and conditions upon which our goods are being carried forward. As I pointed out, one of them is in reference to the tears, the hook marks, the damage by smells and evaporation and excrescence of cattle. The steamship company is exempt from all those things. Then another clause is that the quarantine expenses upon the goods, of whatever nature or kind, shall be borne by the owners of the goods. We do not think that is right. The quarantine charge should be borne by the ship and not by the goods. What right have I, if I ship 100 boxes of cheese, or a thousand bags of flour, to pay the quarantine expenses on the ship itself? Another very objectionable clause is in reference to the description in the bill of lading:—

The owners of the vessel are not answerable for any discrepancies between the shipping marks, as described above, and the actual marks on the goods, nor for any difference between the contents of the package and the description of the same in the bill of lading.

Under this clause they could deliver to the owner or consignee in the old country a thousand boxes of flour of an entirely different brand from the one that is shipped. When we ship flour or cheese or butter or anything like that, there is always some distinguishing marks on the package or on the box. It is described as 'Royal Household,' it is described as 'Five Roses.' It is described as 'Twin City Mills,' or some other mill brand that is well known; and we suppose, and expect,

that when the ship arrived at destination that it will deliver the packages described in the bill of lading. A railway company has to do it. The railway company could not possibly deliver one single bag of flour that was not what was shipped; but the steamer can deliver other brands of flour as long as it delivers the same number.

Hon. Mr. THOMPSON.—Have you ever known a case in which that has been done?

Hon. Mr. CAMPBELL.—It does not matter whether I know or not, why should they have that power? I do not know whether any cases have arisen or not. Then I look upon this clause in reference to the unauthorized bill of lading as one of the most serious clauses that we have to contend against. It is at the foundation of our whole banking system; and I venture to say that a great many of our banks do not know that these conditions are imposed, or they would hesitate in many cases to take out bills of exchange, and that clause is certainly to my mind, a clause that you will not find in any of the American bills of lading, not a solitary one. And why should it be in our Canadian bill of lading? Why should the steamer have the right to deliver that flour without the protection of the bill of lading? I sell the flour to John Brown. I do not know about John Brown. He may be a reliable gentleman, but I am not going to trust John Brown with a thousand bags of flour three thousand miles away from my home until he pays for the goods; and so I send it to the order of the bank, and notify John Brown, and the steamship company has a right to hold that flour, to put it in store, and charge storage, and take every precaution; but they must not deliver the goods until John Brown pays for them, and they get the order from the bank which holds the bill of lading. That is one very serious thing, and, as I said before, I venture to say that nine-tenths of our banks who are advancing money on bills of exchange did not know that the steamship company had that power to deliver those goods. If they did they would hesitate a long time before accepting it. Now, another clause :—

'The ship-owner is not to be liable for any damage to any goods from any cause which is capable of being covered by insurance.'

Why should they be exempt? It is a general exemption clause that the shipper must insure his goods and the steamship company is not liable, no matter how caused, carelessness, negligence, fault in stowing, contact with excretions of cattle. They may damage the whole cargo and make it worthless, and yet they are not liable in any way, because, forsooth, you could go and insure your goods and pay the high rate of insurance. Why should they have that power? I think I have made out a sufficient case to show that this Bill is in the public interest. The great mass of shippers all over this country have some interest in it, and I say that this Bill ought to have been law ten years ago; and now that we have delayed it so long, I do not think we can spend any more time before passing the Bill. It will protect the great public, without injuring anybody. It does not injure the steamship companies in any possible way at all, because you will see in clauses of this Bill further on that they are exempted from everything that a ship ought to be exempted from. They are exempt from faults or errors in navigation; perils of the sea or navigable waters, acts of God or the King's enemies, the inherent defect, quality or vice of the goods, the insufficiency of the packing, the seizure of the goods under legal process, any act of omission of the shipper or owner of the goods, his agent or representative, saving or attempting to save life or property at sea, any deviation in saving or attempting to save property at sea. Can you imagine any possible condition that is not in that clause that a ship should be exempt from? If the shipper of the goods makes any errors in the shipping, or if there is any act or omission on the part of the shipper, they are not liable for that. They have the right to deviate their vessel to save life and property, except that they must handle those goods carefully, they must take care of these goods on the ship, they must see that the goods are put in a proper place, and they must properly deliver these goods. Is there anything a vessel owner should not do that is not there? I say that this Bill ought to pass, that it is in the interests of the public, that it places no duty upon the owners of the vessel that are

not now placed upon the railways and that they should not be charged with. Therefore I submit the Bill for the consideration of the committee.

Hon. Mr. WOOD.—I would like to ask the honourable gentleman in charge of the Bill if he has any information with regard to the English bills of lading—what they contain in regard to that point.

Hon. Mr. CAMPBELL.—No, none whatever. I have not any information. But there was one point I forgot to mention; there is one clause in this Bill which says that the law of England shall prevail. We object to that, for this reason: that, as I am informed, it has already been decided by the highest courts in England that if the shipper of goods from Canada accepts a bill of lading with these clauses in, the receiver in England under the English law, must accept these conditions in, and therefore I say, the conditions being entirely wrong, unjust and unfair, we should say that the law of Canada prevails where the contract is made. We make the contract here. We do not make it in England, and therefore the law of Canada should prevail in reference to these goods.

Hon. Mr. GIBSON.—You will notice that the law of England simply states that you have accepted the conditions as a contract.

Hon. Mr. CAMPBELL.—Yes.

Hon. Mr. GIBSON.—And if these objectionable conditions were expunged from the bill of lading, there would be no need to ask for the English law to be repealed, and the law of Canada to prevail. How could the law of Canada prevail in England? You have made a bargain, and under these conditions you have to stand by the bargain. You say the bargain as made by the steamship companies is onerous, and you wish the objectionable features of the bills of lading to be removed, and when that is done, as far as the law of England is concerned, your bargain will be just as good now as it was before.

Hon. Mr. CAMPBELL.—There may be some little question as to the rights of the shipper and the steamship. For instance I can imagine a case; suppose the goods should be destroyed, or should be short, then it may be that the law of England might be different from the law in Canada, and we say that the law of Canada should prevail.

Hon. Mr. WOOD.—The object of my question was not to raise a question as to what law should prevail, but merely to make the comparison in the same way as the honourable gentleman made the comparison between the law of Canada and the law of the United States. I wish to make a comparison between the law of Canada and that of Great Britain.

The CHAIRMAN.—Having heard the promoter of the Bill, does the committee desire that we hear the opponents of the Bill?

Hon. MEMBERS.—Yes.

The CHAIRMAN.—Does Mr. Meredith desire to address the committee in regard to the Bill?

Mr. MEREDITH.—Yes.

Hon. Mr. CAMPBELL.—We have a representative from the board of trade of Toronto, and a representative of the Dominion Millers' Association, and also from the Marine Association of Kingston. I suppose we will hear Mr. Meredith first.

The CHAIRMAN.—No, I think we should hear the promoters first.

Hon. Mr. GIBSON.—I think fair play is a jewel, and we should hear them turn about.

The CHAIRMAN.—Very well. Whom does Mr. Meredith represent?

Mr. MEREDITH.—I have been asked to appear before this committee by the Allan Steamship Company and by the Dominion line. I have not been asked by any other line, although, as a matter of fact, I happened to act for other steamship owners.

I think you will remember that the first notice that the shipowners had of this Bill was only a few days ago; that is to say the notice to appear before this committee; and they have been ignorant absolutely as far as I know of the existence of this Bill until about Friday last. It is hardly necessary for me to remind the committee that mercantile shipping of Canada the purely Canadian mercantile shipping is a very small matter; no doubt it will grow in time with the great progress the country is making, but at present it is very small, and the people most interested in this Bill, apart from Canadians as a whole, are the people who own the ships, against whom we have a bill, and which you are apparently going to consider. It has been absolutely impossible since Friday last to let the people who are the registered owners of the ships, which are nearly all British or Norwegian, know of the existence of this Bill, which I may say at once is a most serious measure, one which has not been passed in Great Britain, and which will make our bills of lading entirely different from the English bills. Having explained the fact, that though I act for very many more steamship lines than the Dominion and Allan lines, to show you the notice has not been very sufficient. I have not been apprised of this Bill, or made aware that I was requested to appear here, except by these two particular lines, though the other companies are just as much interested, I presume, as the Allan and Dominion lines. Now to get to the point, in view of the serious nature of this Bill—because, gentlemen, it is a Bill that has not been passed in Great Britain, the country that owns the greatest mercantile marine in the world, that carries half the international trade in the world—it has been considered there but has not been passed—in view of the serious nature of this Bill, I would ask the committee to give us time to communicate and make known the existence of this Bill to the people who are largely interested, the steamship companies, and see what attitude they are going to take against it, without admitting for the time being the jurisdiction of this parliament to deal with the question of contract—because this Bill goes as far as to say this: that nobody shall be allowed to contract with anybody else, if somebody else is willing to contract with them—nobody shall be allowed to do it. It is interfering with the freedom of commerce. I would ask what I think is purely and simply absolute justice, because that is all this committee wants to give and all anybody wants to get —to give us time to get in touch with the people most interested. After all, the number of ships owned in Canada is infinitesimal, I regret to say. I am a Canadian myself, but the number of Canadian ships, I must admit, is infinitesimal, and the people you are really legislating in regard to are the British owners, and I think it would be considered, to say the least of it, very unfriendly to pass legislation of such a serious nature, without giving them at all events the opportunity of considering the nature of the Bill. I may say that one of my clients, the Allan line, the moment they received the Bill forwarded it to the office in either London or Glasgow, I think Glasgow, and I have no doubt the other lines have done the same thing.

Hon. Mr. GIBSON.—What time do you want?

Mr. MEREDITH.—I think the least delay I could ask for would be about a month. First of all they have to receive the Bill. It is not a matter you can cable about intelligently, and they have to send their answer. I should think it would not be asking too much, in view of the winter season, as it takes a little longer to get our answer, to ask that we be given a month from to-day. I may tell you at once that I have studied the matter to a certain extent, as far as the short time from Friday has allowed me to do it, but I frankly admit I am not in a position, and I would not take the responsibility of dealing with a matter so stupendously important without further study.

The CHAIRMAN.—Do you represent the Shipping Federation?

Mr. MEREDITH.—I do not think the Shipping Federation received any notice as a federation.

The LAW CLERK.—Yes, they did.

Mr. MEREDITH.—But at all events it would be the members individually, the lines that belong to that federation, that one would have to deal with in this matter. The federation is simply an organization got up to a certain extent to watch the interests of the people who belong to it, but this legislation is of such an important nature that it will reach the owners of the vessels particularly, and as I have said before, and I regret to repeat it, our people live in Scotland, Ireland, largely in England, and a great many in Norway. These are the people who are going to be affected if this measure is passed.

Hon. Mr. CAMPBELL.—How? Injuriously?

Mr. MEREDITH.—Yes. If the committee rules that I have to go into the matter I will do so, but I do not want to. I would answer any question put to me.

The CHAIRMAN.—Is the Shipping Federation represented by anybody? Is the secretary here?

Mr. MEREDITH.—Yes, but I do not know that he has been instructed. I think it is only fair to state that I have been asked to bring some papers. I do not think the secretary has been instructed to come here as representing the federation.

The CHAIRMAN.—There is a letter from Mr. Robb, representing the Shipping Federation which, with the permission of the committee, I will read:—

'Your letter to the Dominion Line of Steamship Companies has been referred to this Federation, of which the Dominion lines of steamships are members, and at a meeting of the special committee of this Federation held this day, the notice sent by you to the Dominion line was considered, and it was the unanimous opinion of the committee that in view of the great importance of the Bill, and the great interests involved, that it would be important that the meeting which has been fixed for Thursday 19th March, at 10.30 should be postponed to a later date, and I was directed by the committee to ask you to wire me as to whether the request herein made is concurred in.'

(Signed) THOMAS ROBB,
Manager and President.'

Hon. Mr. GIBSON.—The Hon. Mr. Campbell, in the course of his remarks, pointed out the fact that the president of the Board of Trade, or representative of the Board of Trade at Toronto and other cities were here supporting the Bill. I think that the best thing—I suggest it at all events for the consideration of the committee—would be that as these gentlemen are here that they be heard, and then that the request of the gentleman who has addressed the committee be favorably considered. I do not think he is asking too much—a month's delay—and if the whole of the evidence was taken and printed he would be in a position to communicate with his clients the whole of the argument in support of the Bill, and they would be in a better position then to answer, and the committee would certainly be in a much better position to deal finally with the matter when it comes up.

Hon. Mr. CAMPBELL.—I think that Mr. Meredith has stated that he is prepared to give his reasons why this Bill should not become law.

Mr. MEREDITH.—No.

Mr. CAMPBELL.—You made that statement. You raised the other point first, but you were prepared to go on and give your views on the Bill. I think the committee would like to hear if there are any valid objections to this Bill. I have not heard any so far, and if Mr. Meredith can give us any information or can present any objections why this Bill should not become law, I am sure it would be for the benefit of the committee, and we can consider it before we meet again. I think Mr. Meredith should do that.

Hon. Mr. FERGUSON.—The request from the Federation is simply that they wish to have the matter postponed without giving any reason. Mr. Meredith has given us some reason, but would it not be equally satisfactory if Mr. Meredith and those who are here, who, no doubt, understand this question thoroughly, would give their reasons,

and before we would make our report, if they still thought that the parties in Great Britain should be heard from, to withhold our report for a reasonable time until they could add any supplementary information that they may possess.

THE CHAIRMAN.—One member of the committee asks for fair play for both sides. I think we should hear now the promoters of the Bill.

Hon. Mr. CAMPBELL.—I think with all fairness and respect to the chairman of the committee, that those who are opposing the Bill, if they have any objections to it, should present them now. If they have no objections, we can go on and pass the Bill. Our Canadian steamship lines are issuing one bill of lading for the American shippers and another for Canadians. Now let us hear Mr. Meredith.

Hon. Mr. THOMPSON.—The hon. gentleman has stated that he is not just in a position to represent the companies with respect to their views with regard to this legislation. All he could give us to-day would be his individual opinion with respect to it.

Hon. Mr. FERGUSON.—We do not care very much from whom the opinion comes as long as we get it.

THE CHAIRMAN.—The correct plan, no doubt, is to hear the promoters of the Bill, and after that the opposition, and the promoters of the Bill will have the right of reply afterwards.

Hon. Mr. CAMPBELL.—I understood that Mr. Robb, the secretary of the Steamship Federation, was present.

THE CHAIRMAN.—I have just read his answer.

Hon. Mr. CAMPBELL.—That is only asking for further time.

THE CHAIRMAN.—The Shipping Federation has asked for delay. We have not dealt with that question yet.

Hon. Mr. CAMPBELL.—I think, according to your ruling, Mr. Chairman, at the commencement, the promoters should be heard first, and then the defence if there is any. We have here Mr. Meredith, one of the ablest lawyers I believe in Montreal, and Mr. Robb, the secretary of the Steamship Federation, and yet these gentlemen are hesitating, trembling and shrinking on the brink, afraid to say a word. Have they any objection? If they have let us hear them.

THE CHAIRMAN.—I will do whatever the committee decide. A member of the committee claims that in fair play they should be heard alternately.

Mr. G. E. GOLDIE (of Ayr) then addressed the committee. He said: I represent the Dominion Millers' Association. This is a matter that has been brought before us as shippers of flour by the London Flour Trade Association and also by the Glasgow Association. I believe that the different associations of Great Britain are associated with the London Flour Trade Association in their letter to us. As you know, flour is shipped from Canada on cost insurance and freight terms,, delivered at the other port to which it is shipped, the freight being either paid or collected at the other end, and the insurance being paid at this end, the cost of which is borne by the shipper. The shipper has to deliver the goods at the port. He takes the bill of lading that is tendered him by the shipping companies, railroads and steamers. Shippers from Ontario get the railroad bill of lading, as Senator Campbell has shown you. That railroad bill of lading contains a clause whereby the ocean bill of lading is the contract on which the goods are carried across the ocean to destination. If there is any damage to goods, borne by the goods themselves, because of the clauses in this bill of lading we know nothing about it, because our goods are all insured under the all-risk clause of the marine insurance companies. We pay at the rate at this end, and that is all we know about it. The settlement has to be made by the consignee with the insurance companies at the other end. Because of the untold trouble that these consignees had in making settlements with insurance companies, owing to the great numbers of claims that come in on account of damage, the responsibility of which is not borne by the steamship

company owing to them contracting themselves out of the liability, they have addressed a letter to the trade of Canada. I would just give you this letter. It is as follows:—

LONDON FLOUR TRADE ASSOCIATION,
CORN EXCHANGE, LONDON, E.C., January, 1908.

GENTLEMEN,—This association has had several interviews and some correspondence with the Canadian Federation of Steamship lines with reference to the bill of lading on which flour is shipped to London, and we understood in June last (1907) that the whole question was referred to Montreal, but up to to-day we have heard nothing.

We can do practically nothing more on this side, and it rests with the millers and shippers in Canada to bring such pressure to bear that the clauses objected to should be taken out of the bills of lading altogether.

In the first instance, shippers are to blame for accepting a through bill of lading, containing a clause (14) which reads as follows: 'The property covered by this bill of lading is subject to all the conditions expressed in local bills of lading, used by the steamship, or steamship companies carrying this property at the time of shipment,' without either knowing, or caring, what objectionable clauses there may be in the local bills of lading by which all shipments must be made, and by which, in one instance at least, that is specified later *might make the documents practically valueless.* This is a most serious matter to all concerned in the flour trade, both shippers in Canada and receivers in London.

The clause as in the Seaboard Bill of lading are here given and each clause is followed by this association's objections in red. The Thomson line local bill of lading is the one which is actually before us, but the Canadian Pacific Steamship Company has exactly the same clauses, although in some instances they are numbered differently. The points at issue are as follows, viz.:—

Clause No. 1—Reads that among other things, 'The ship is not responsible for hook marks or injury from hooks, stowage or contact with, or smell or evaporation from any other goods, from live stock or their excretions however caused, &c.,' and then goes on to say, 'Quarantine expenses upon the goods of whatever nature or kind shall be borne by the owners of the goods.'

Surely, the ss. company should be responsible for tearing and loss of flour if they permit hooks to be used, and the ss. company should also be responsible for taint owing to improper stowage, while for human food to be in danger of being rendered unfit for human consumption owing to excretions of live stock which the ships carry entirely for their own profit, and for the ships not to be liable, is iniquitous. Then surely quarantine expenses should be borne by the ship, and not by the goods.

Clause No. 2.—This contract or any question arising thereunder, shall be governed by the law of England, &c.

This clause makes it doubly important that only just and reasonable clauses should be in the bill of lading, especially as it has been decided in the high courts of justice, quite recently, that if shippers accept such a document as this, then the receivers here, must bear the consequences thereof.

Clause No. 3.—Nothwithstanding any written description in this bill of lading, the ship and ship owners are not accountable for the description, weight, measure, gauge, quality, condition, quantity, brand, contents, and value of the cargo, all of which are unknown.

Clause No. 4.—The owners of the vessel are not answerable for any discrepancies between the shipping marks, as described above, and the actual marks on the goods; nor for any difference, between the contents of the packages, and description of the same in the bill of lading as herein described, and those actually delivered.

This association consider both clauses should be deleted, for they relieve the ship-owners of all responsibility as to brands, which practically means that they can deliver brands indiscriminately at this end without penalty. For instance, supposing

a merchant buys a high patent and the ss. company deliver low grade, under this clause there is no redress.

Clause 5—In part reads as follows:—But nevertheless the goods may be delivered, to the consignee named therein, without the production of an endorsed bill of lading, and such delivery shall free the master, owners and agents from all liability to deliver the goods to any other person.

It is of vital importance to the trade, that this clause should be deleted, for it gives the ship-owner the power to deliver the goods without production of bill of lading, or presumably, without a proper guarantee, and such clause would prevent altogether the security of such documents being of any avail to bankers or other bona fide holders, in fact, it destroys altogether the financial value of the bill of lading.

Clause 7.—The shipowner is not to be liable for any damage to any goods, however caused, which is capable of being covered by insurance.

This seems to be a general exemption clause from all liability for damage and should be eliminated.

Clause 16.—The agents of the ship to have the option of forwarding cargo by craft, *on deck,* or under, at ship's expense and shipper's risk.

It is absolutely an unheard of thing to carry flour on the deck, so that this clause requires no further comment.

Clause 8.—That the shipowners shall in no case be responsible for any loss or damage thereof, or in anywise relating thereto whether such loss or damage arise from defects, or insufficiency, either before, or after shipment, in the hull of the said steamers, &c., &c.

This clause should be expunged.

My committee suggest the addition to the Canadian bill of lading of a notification clause as follows:—

'Carriers of goods on through the bill of lading shall notify consignees accordingly on receipt of steamer's manifest.'

It is suggested by my executive committee, that if the steamship companies do not wish to issue new bills of lading, that they enter into an agreement with my association, by which these objectionable clauses may be considered null and void.

Yours faithfully,

W. T. ODAM,
Hon. Sec.

I would draw attention to the fact that the Canadian steamship lines had notice of these objections in June, 1907, although they had no notice of the actual wording of the Bill until a short time ago. This question is raised by the receivers of our flour. They are having difficulty. The Dominion Millers' Association of Canada has been fighting for many years to be placed upon exactly the same footing with regard to export business as our competitors are, as to freight rates, &c. This matter has been brought before our attention, some time ago, but we have been so busy with other things that we have not until now arrived at this. We now, through this Bill of Senator Campbell's, are endeavoring to bring the matter to a head. I would also read you a letter which was addressed from the Glasgow Association to the flour and export trade, dated July 8, 1907. This matter was considered by the commissioners on the grain trade, but for reasons did not include it in the report, knowing that this action was to be taken. The letter is as follows :—

'GLASGOW, July 8, 1907.

'To the Royal Canadian Commissioners on
the Grain and Flour Export trade :

GENTLEMEN,—I have been asked on behalf of the grain and flour trades of the city of Glasgow to submit to you a representation with regard to the conditions under which grain and flour are carried from the Dominion of Canada to ports in the

United Kingdom. The trade in grain and flour from Canada is becoming large and important, and for the proper development of it, it is essential that the conditions under which it can be profitably conducted should be as favourable as those enjoyed by other grain producing countries.'

That is referring to bills of lading under which goods from say the United States and Australia are carried. The letter continues:—

'As compared with the conditions under which the produce of the United States is carried to this country, the conditions of carriage from Canada are very unfavourable, and in this connection, I am asked to draw your attention to the terms of the ocean bill of lading adopted by the Canadian Federation of Steamship lines. This federation, by means of combination, have practically the monopoly of the carriage of grain and flour from Canada to this country, and the conditions imposed by them, have, therefore, as matters at present stand, to be accepted.

'In the case of the United States of America, the trade of which, of course, competes closely with that of Canada, objectionable conditions in the bill of lading are in a large measure obviated by the provisions of the Act of Congress of the United States, approved on the 13th day of February, 1903, and entitled 'An Act relating to the navigation of vessels, &c.' This Act is popularly known as the Harter Act, and a copy of it accompanies this representation. A similar Act for the protection of shippers has been passed by the Comonwealth of Australia. It is known as 'the Sea Carriage of Goods Act, 1904,' and a copy of it is also sent herewith.'

Hon. Mr. CAMPBELL.—This Bill I have introduced is practically the Australian Act with such amendments as would make it suitable for Canada, but the provisions of the Bill are the same as in the Australian Act.

Hon. Mr. LOUGHEED.—In what sense does it differ from the United States Act?

Hon. Mr. CAMPBELL.—Very little. The United States Act is perhaps a little bit stronger in its provisions than this.

Hon. Mr. GIBSON.—That would be all the more reason why we should have a copy of it.

Mr. GOLDIE.—The letter continues:—

'Speaking generally, these Acts make it unlawful for a shipowner to stipulate with a shipper that he is not to be responsible for the negligence of himself or his servants, at the same time recognizing that the shipowner, may stipulate that he is not to be responsible for loss occasioned by causes beyond his control.'

'The Glasgow importers regard the Canadian bills of lading as particularly objectionable, containing as they do, a number of conditions and stipulations which go far to handicap seriously the trade in wheat and flour from Canada as compared with that coming from the United States of America or the Commonwealth of Australia, and they consider that the protection afforded to shippers by the United States and the Commonwealth of Australia may reasonably be asked from the Dominion of Canada. There should be no inducement to traders to prefer the bills of lading issued in the United States to those issued in Canada. It need scarcely be pointed out that favourable conditions for the carriage of Canadian produce would result in advantage, not only to buyers in the United Kingdom, but more to the producers in Canada, and the various lines of railway carrying the products to the seaboard.

'I enclose a statement of a number of the provisions of the Canadian bills of lading to which serious exception is taken, and, for the purposes of reference, I enclose also forms of bills of lading in ordinary use. In this connection, it has been pointed out that, where the through bill of lading does not enumerate the clauses to which exception is specially taken, these clauses are incorporated by a special clause known in the trade as the 'Blanket Clause.''

The objectionable clauses referred to and commented on in the accompanying statement, are taken from the bill of lading of the Donaldson Line from Montreal

and St. John, N.B., to Glasgow, and the bills of lading issued by all the other lines operating from Canada are in similar terms, this form of document having been drawn up and adopted by the Canadian Federation of Steamship Lines.

The disadvantageous conditions under which produce is carried from Canadian towns through Canadian ports is further apparent when it is pointed out that produce from Canadian towns carried to the United States and United States ports is protected by the Harter Act, and that in like manner produce from United States towns carried to Canadian ports is likewise protected by that Act. In this connection, reference is made to the bill of lading of the Canada Atlantic Transit Company of the United States, sent herewith. (Article 11, cls. 2.)'

These documents referred to in this matter are with the Department of Trade and Commerce, as handed in by the Grain Commissioners with their report.

Hon. Mr. LOUGHEED.—Did the Grain Commissioners make any report on this question?

Mr. GOLDIE.—Not on this.

Hon. Mr. GIBSON.—The Grain Commissioners submitted a report.

Mr. GOLDIE.—This letter was addressed by the flour trade of Glasgow to the commissioners. They took no action.

Hon. Mr. LOUGHEED.—Did they make any examination into it?

Mr. GOLDIE.—No, they did not. This is a matter which was laid before the Grain Commissioners when they were in England last summer. They did not make any comment on it, for reasons that will be explained. The letter reads as follows:—

'The Glasgow firms interested in the grain and flour trades make this representation, feeling that the export trade of Canada in these products should not be handicapped in comparison with the trade of the United States of America or of the Commonwealth of Australia, and they consider that what has been accomplished for the protection of shippers by the government of the United States and the Commonwealth of Australia should not be impossible for the Dominion of Canada.

'Your obedient servant,

(Sgd.) 'PETER MACKICHAN."

Our objections are practically included in these two letters. While we ourselves do not come into actual contact with the actual damage, and with the settlement of the claims, we have to pay in our insurance rates, and the expense must of necessity be borne by the shipper of the flour. In England that is put in the way of the free working of the export trade of flopr, and, of course, hampers our trade to that extent as compared with other countries who have better conditions.

Hon. Mr. GIBSON.—It diminishes your profits.

Mr. GOLDIE.—It must of necessity.

Hon. Mr. FORGET.—Did you ever ship by a United States port?

Mr. GOLDIE.—Yes.

Hon. Mr. FORGET.—What is the difference in the insurance rate between a United States port and a Canadian port?

Mr. GOLDIE.—It differs considerably.

Hon. Mr. FORGET.—It varies according to the steamers?

Mr. GOLDIE.—It does. That is one of the reasons of difference. The port is another reason of difference and Canadian rates of insurance are higher in a general way than those from the United States.

Hon. Mr. MCSWEENEY.—How are freight rates?

Mr. GOLDIE.—Practically the same. It is a matter of competition entirely.

Hon. Mr. FORGET.—If you ship by a steamer of the Allen line here, and ship on a similar steamer of a United States line, what is the difference in the insurance rate?

Mr. GOLDIE.—As I say, that varies from time to time. Five, ten and fifteen, possibly twenty cents on the hundred dollars.

Hon. Mr. FORGET.—Take the season into account too—take September and October in Montreal, and Boston, and Philadelphia and New York in the same months, is there much difference?

Mr. GOLDIE.—It will run possibly ten and fifteen cents.

Hon. Mr. CAMPBELL.—It is twenty to twenty-five cents a hundred pounds.

Mr. GOLDIE.—I put it low enough, ten to fifteen cents; Mr. Campbell says twenty-five cents.

Hon. Mr. MCSWEENEY.—That is, they are higher from Canadian than from United States ports?

Mr. GOLDIE.—Yes.

The CHAIRMAN.—Have the receivers ever objected to the United States bills of lading?—You ship a portion of your goods by United States ports and get United States bills of lading?

Mr. GOLDIE.—Yes.

The CHAIRMAN.—Have they ever objected to that?

Mr. GOLDIE.—No.

The CHAIRMAN.—The United States bill would not agree exactly with the bill framed in this country.

Mr. GOLDIE.—Are you speaking of the shipping bill or the bill of lading?

The CHAIRMAN.—I mean the bill of lading.

Mr. GOLDIE.—There has been no objection raised to a bill of lading on flour through a United States port.

The CHAIRMAN.—You think it is much better than the one you have been getting through Canadian ports?

Mr. GOLDIE.—Certainly.

The CHAIRMAN.—Have you samples of your bills of lading?

Mr. GOLDIE.—Yes, from United States ports.

Hon. Mr. FORGET.—Did the insurance company ever tell you that they made a difference in your rate on account of the St. Lawrence route, and the greater danger by that route than by Boston or New York?

Mr. GOLDIE.—There certainly is.

Hon. Mr. FORGET.—Do the Insurance companies mention that to you?

Mr. GOLDIE.—They do.

Hon. Mr. FORGET.—Not on account of the bill of lading?

Mr. GOLDIE.—Partly from the extra risk out of St. Lawrence ports and partly from the bill of lading. You cannot attribute it all to the bill of lading.

Hon. Mr. LOUGHEED.—In making up the United States Insurance rate, or the Canadian rate, is that mentioned as a factor.

Mr. GOLDIE.—Not in the making up of the rates.

Hon. Mr. LOUGHEED.—Have the insurance companies a table in which it is mentioned?

Mr. GOLDIE.—It is not mentioned, to my knowledge.

Hon. Mr. PERLEY.—Why was this letter which you have just read, addressed to the Grain Commission, never answered?

Mr. GOLDIE.—They answered it.

Hon. Mr. PERLEY.—I understood you to say that they did not take notice of it.

Mr. GOLDIE.—They took notice. We acknowledged it, but did not deal with it in our report.

Hon. Mr. PERLEY.—Why did they not deal with it?

Mr. GOLDIE.—For reasons which, if you wish, I will give. This bill of lading covers all classes of goods carried by a ship, not flour and grain only. The Grain Commission had to deal with the grain and flour, but particularly the grain. There is no special bill covering grain. It is a general bill of lading covering all goods, and we knew that this matter was to be taken up.

Hon. Mr. PERLEY.—You were on that Grain Commission?

Mr. GOLDIE.—Yes. We knew that this matter was to be taken up, and we thought it much better that the commission, not having a full knowledge of marine shipping should not deal with it, but leave it to the trade, the people who are actually interested. Now, there is not only one trade, but all trades are interested in this shipping bill; therefore, we deemed it wise to leave it to them, knowing the matter was to come up anyway.

Hon. Mr. GIBSON.—You have no power to do anything else?

Mr. GOLDIE.—Yes, we had power to refer to it; but our report covers enough ground, without going into a bill of lading that affects so many different interests, and knowing that those interests would be heard, so we decided to leave it alone entirely, and so stated.

Hon. Mr. KERR.—How would a bill of lading from England to Montreal compare with one from Montreal to England?

Mr. GOLDIE.—I cannot tell you anything about the west-bound bills of lading.

Hon. Mr. MCMULLEN.—You are in the habit of shiping from the port of Montreal, as well as from Boston and Portland. Is the bill of lading you get from the Allan Line from Montreal the exact bill of lading you get from them when you ship from Portland or Boston?

Mr. GOLDIE.—We never get an ocean bill. What we get is the railroad through bill, which includes the ocean carriage, and, so far as I know, the Grand Trunk Railway Company give to us the same bill of lading through the port of Portland as they do through the port of Montreal.

Hon. Mr. MCMULLEN.—The railway gives you the same bill of lading, you say. Senator Campbell, in presenting the Bill, showed that the provisions of that bill of lading are not made known to the shipper by the railway. The railway simply contracts to ship the goods under the provisions of the bill of lading issued by the ocean shipping company. What I want to get at is this: Does the ocean bill of lading from Montreal contain the same provisions as the ocean bill of lading from Portland and Boston for a Canadian shipment.

Mr. GOLDIE.—I cannot tell you. I cannot give you the information.

Hon. Mr. CAMPBELL.—I can tell you. I can give you copies of those United States bills of lading from Portland, Boston and other points. In those copies there are no objectionable clauses like there are in our Canadian bills.

Hon. Mr. FORGET.—If you ship from the west on the Grand Trunk by way of Portland, have you a copy of that?

Hon. Mr. CAMPBELL.—If we ship by the Grand Trunk Railway, through Portland, as Mr. Goldie has said, we get a bill of lading right through, and in the bill of lading there is a clause—'these goods are carried forward subject to all the terms and conditions of the ocean bill of lading.' Now, we never see the ocean bill of lading, but when it goes to Montreal, the ocean bill of lading that is issued to the Canadian shipper is very different and has all these objectionable clauses. When the shipment goes to Portland or Boston, they dare not put those clauses in.

Hon. Mr. FORGET.—The same line?

Hon. Mr. CAMPBELL.—The same line. They dare not put them in a shipping bill from a United States port.

Hon. Mr. McGREGOR.—But yours are Canadian goods.

Hon. Mr. CAMPBELL.—If our goods go to New York, Boston or Portland, then they come under the Harter Act.

Hon. Mr. FORGET.—When you ship goods from the west by the Grand Trunk Railway, they give you a bill of lading, do they not?

Hon. Mr. CAMPBELL.—Yes.

Hon. Mr. FORGET.—And they specify that the goods are to be shipped by the way of Portland?

Hon. Mr. CAMPBELL.—Yes, but we never get the ocean bill of lading.

Hon. Mr. FORGET.—You never get it on the Canadian side either?

Hon. Mr. CAMPBELL.—No.

Hon. Mr. FORGET.—How do you know they are to be shipped from a Canadian port or not?

Hon. Mr. CAMPBELL.—The goods shipped by the Allan line will go by Montreal or Portland.

Hon. Mr. FORGET.—What I want is the bill of lading for a shipment from Portland.

Hon. Mr. CAMPBELL.—There would be just that clause that it comes under the Harter Act in the bill of lading.

Hon. Mr. GIBSON.—It is hardly fair to expect Mr. Campbell to produce something that the shippers never see, but I think it is in the judgment of this committee, through our chairman, that the gentlemen representing the Federation of Shipping should be obliged to produce their bills of lading before this committee when they come here a month from to-day.

Hon. Mr. LOUGHEED.—And we should have bills of lading issued by United States lines.

Hon. Mr. CAMPBELL.—I should like to have Mr. C. B. Watt, representing the Toronto Board of Trade, here.

Hon. Mr. BERNIER.—I am not a member of the committee, and, consequently, must ask your permission to make another request. Some of the senators here to-day are not members of the committee, and they would like to have a chance to hear the opponents of the Bill. I must say frankly I am in favour of the Bill, and I know that others are, but we are not of necessity wedded to it, and if we could hear to-day the objections to the Bill we might decide on the course we should take. It is but fair that we should hear the objections to the Bill. We have a chance to-day of hearing the objections; we may not have the same chance later on.

Hon. Mr. FORGET.—If they do not make objections later on we will pass the Bill. They say they are not ready.

Mr. C. B. WATTS.—I am here as a representative of the freight and transportation committee of the Toronto Board of Trade, who have had Senator Campbell's Bill before them for consideration, and I have been directed by them to present to this committee their views on this Bill. They studied it very carefully, and have asked me to direct your attention to one or two clauses in it that they would like to have a little further explanation on.

As to clause No. 5 of the Bill, the question was raised as to whether the holder of this Bill would be deprived of his right to bring action at the port of debarkation: that is, where the goods were discharged. The opinion of the committee was decided on the subject. I pointed out that, while not a lawyer, I judge the intention of that clause was simply to state that the interpretation of the clause of the bills of lading issued by the steamship companies would be governed by the law of Canada: that the holder of the document could bring action wherever his goods were delivered to him,

and that failing success there, no doubt he could bring it in Canada under the Canadian courts. Clause No. 8 was one which they suggested should have a slight addition made to it in order that the steamship company should be fairly protected, and that is the one reading as follows:—

'Every owner, charter master or agent of any ship carrying goods shall, on the arrival of the ship at the port at which any goods are to be delivered, forthwith notify the consignees of such goods of such arrival.'

They suggested adding the words, 'At the address given in the bill of lading'; and also in subsection D of clause (9) that the words be added, 'When consignees' address appears in the bill of lading.' It was felt unfair that steamship companies should be penalized where an address was not given by which they could reach the consignee. With these two exceptions, the Bill met the entire approval of the transportation committee of the board of trade, and they felt very strongly the necessity of this Bill being passed with as little delay as possible. While the freight and transportation committee of the board of trade covers practically all lines of trade, they felt that not only was the flour trade affected by this, but owing to the clause relating to the value of the security, in a steamship being allowed to deliver the goods without the surrender of the bill of lading, that the banks might at any time refuse to advance on those bills of lading now that this matter was called to their attention.

I had the honour last October to be the representative of the Toronto Board of Trade at a meeting of the shipping interests of the United States held in Washington, for two days before the question of the uniform bill of lading came before the Interstate Commerce Commission, and the bankers of the United States were represented there by two of the ablest counsel in the United States at the shippers' meeting on Monday and Tuesday, and then before the Interstate Commerce Commission on Wednesday and Thursday, and they said that unless that clause was put in the bill of lading, by which the value of this bill of lading was thoroughly protected, that the Bankers' Association of the United States would have to consider very seriously the question of making any further advances on bills of lading. When the stand was taken by the Bankers' Association of the United States, when they became aware of the flaw in these bills of lading, you can see the position in which the merchants of Canada are placed if a clause of this kind is allowed to remain in a bill of lading. One of the Senators asked, I think it was while Senator Campbell was speaking, if he had known of any cases where goods were delivered to the wrong address. A case occurred in Toronto a very short time ago, where 100 packages of figs had arrived, notification was sent to the wholesale house in Toronto. He presented his bill of lading, the goods were sent up. When the figs reached the warehouse there were the wrong marks on them. They were sent back to the railroad and they laid there for weeks. Then the railway notified the proper owner, and when he presented his bill of lading for them, they demanded storage, and in fact did collect storage, because they refused to deliver the goods without the storage, and it was paid under protest. It is to eliminate such cases as that that it is desired that the bill of lading should be made uniform with the bills issued to our rivals in the United States and Australia.

Hon. Mr. THOMPSON.—That would not be the case where it was done through a bank by a draft.

Mr. WATTS.—No, the bank is protected, in Canada at least, as long as their customer is good, but in other countries there is a little difference, I understand, in the way they deal. The documents are sold out and out, and there is no recourse in many cases. The documents represent the only security that the bank or the purchaser of these goods have. It is a transferable security, without recourse. We, in Canada, have to compete and compete under the most strenuous conditions, with the shippers in the United States and in Australia, especially in flour. Our mills here have not the very large marks that they have in the United States for the high classes of flour, where they get great big premiums, and they are enabled to export the lower grades, and in that way our competition is much greater than under ordinary circumstances,

and when in the face of that we meet conditions such as mentioned by Mr. Goldie, where we are told plainly by the Glasgow Flour Trade Association, and the various commercial bodies that are associated with the association, that they cannot buy our goods on equal terms with the others, unless we get as good conditions in our bill of lading as the American millers have, you can see what a serious position we are in, and I think that it is only fair that we should get relief as speedily as possible. The representatives of the steamship companies are here. I think I see six or seven that I have met before, sitting in the other end of the room. They have had that question under discussion before, as Mr. Goldie has stated, last June, and more than that, they have had correspondence themselves with Mr. O'Hara for weeks and weeks back, and threshed this question out with them through the Department of Trade and Commerce, and to-day they come up and say they do not know anything about it. True, they may not have had specific instructions in the matter, but they had this before them last June, and that is the reason it is brought before use, because in England, where they had it up before them, no attention was paid to it, and it is only when they failed to get redress from them they come to us in Canada, and we in turn come to you as the proper place to obtain relief.

Hon. Mr. FORGET.—Mr. Meredith stated that the shipowners of Great Britain and Norway were not acquainted with this Bill and did not know anything about it. He did not say that the Canadian owners did not know about it before; but the interests of the Canadian owners were very small compared with the British and Norwegians.

Mr. WATTS.—I might say the Canadian Federation of Steamship Association really and entirely are representatives, I think I am right in that, of the ocean-going steamships.

Hon. Mr. FORGET.—Of all?

Mr. WATTS.—Of all the steamships in Canada—the Canadian Federation. And more than that, why should they take any objections to a Bill that contains the same provisions under which they are sailing these steamships out of American ports, and are issuing bills of lading from American ports? Why should they not give that same Bill to Canadians? Why should they discriminate against Canadians? The Allan and other lines have heavy subsidies from Canada, and what do we find? Only within eighteen months we find that the Allan Line was deliberately charging two cents a barrel more on Canadian flour shipped through the port of Boston than they were on the American flour. Those were the facts. They made no bones about it in issuing their tariff. I do not think, under those conditions, the steamship owners in Great Britain and Scotland are entitled to any very great consideration from Canadians. I think it is the other way round. I think when they are taking the Canadian money as subsidies, that they should at least give us as good terms as they give the Americans, from whom they receive no subsidy.

Hon. Mr. GIBSON.—You want fair play?

Mr. WATTS.—That is all we want, just what they are giving to our rivals in Australia and other places, where the Ocean Steamship Company run their lines, and that is the reason why we are before you to-day.

Hon. Mr. FORGET.—Did you say the Allan Company charged two cents more to the Canadian shipper from Portland on Canadian flour?

Mr. WATTS.—On Canadian flour shipped through the port of Boston they charged two cents more per barrel than they did on the American flour.

Hon. Mr. GIBSON.—That was tough.

Mr. WATTS.—Yes, it was tough.

Hon. Mr. CAMPBELL.—Is that in force now?

Mr. WATTS.—No, it was only in force about a year, but it is like all the other things. When a row is raised they draw back a little. They do not take any more than they can get, I grant you that.

Hon. Mr. McMillan.—Do you know of any excuse they gave for charging two cents extra? Did they give any reason?

Mr. Watts.—I do not know that the steamship company gave any reason, but the reason I hear is that we millers had gone to the Railway Commission and compelled the railroads to reduce their freights, so that we got a pro rata rate with the Chicago rates; that is we claim we were entitled to a lower rate on account of our shorter haul to the seaboard than they were charging from American cities. Before that, they were giving them lower rates in the United States. The Commission held that the contention of the Dominion Millers' Association was correct, and they passed an order compelling companies to give us a lower rate. We got the part for the Inland Route reduced. I do not know which pocket it went into, but we had to pay the two cents additional.

Hon. Mr. Gibson.—It was a sort of levelling up.

Mr. Watts.—Yes, and these objectionable clauses did not all come in the bill of lading at once. As the steamships found they were compelled to pay for their negligence and carelessness, they put an additional clause in the bill exempting them from it, and that practice has become so great, as it has been pointed out to you, that further than getting a piece of paper, you have no rights at all. We are in a different position from those on the seaboard. The question has been asked about Great Britain. In Great Britain they have a number of ships sailing, and you can get competition there. I do not know anything about it personally, but I presume you can get reasonable bills, because if one ship won't give it another will. We inlanders are in a different position. We go to a railway company and want to get a through rate to Britain. They work with certain shippers with the steamships. What does Mr. Loud say? I had this matter up with him. He is the traffic manager of the Grand Trunk, and in a letter dated February 20th, 1908, he says:—

'The attention of our foreign freight agent was called to the matter by the Western Canada Flour Mills Company, and agreeably therewith, it was referred to the Robert Reeford Company, agents of the Thomson Line of steamers, who replied under date 14th instant, as follows:

"The whole question is up before the federation, in adition to which we have submitted the whole question to our principals, asking them for instructions, and suggesting that all the lines get together with the London Flour Trade Association and adjust the matter in London."'

Further on, he says:

'As the railways can only embody in their bills of lading such clauses as are authorized by the steamship companies, I think it would be better for you to write direct to Manager Robb of the Shipping Federation. You will, I think, appreciate that if we attempted to put in our bills of lading clauses which were not acceptable to the steamship companies, they would immediately decline to honour them, and if they did take such action, it would mean that we would be unable to issue to the shippers through bills of lading for shipments by the Canadian lines of steamers, leaving the shippers to get ocean bills of lading from the steamship companies direct.'

Now unfortunately, many of our millers are not in a position to do that. When they ship a car of flour, they have to get the advances from the bank at once. They cannot wait while they would send their local bill down to the seaboard and get an ocean bill, or send it to the local representatives of the steamship companies, and they would have difficulty in making rates with the steamship companies, because they are not acquainted with the ocean rates. They do not know what is meant by primage and many of these things, and so in the great majority of cases their bills of lading are issued by the local agents. There are exceptions to that, as pointed out by the Hon. Mr. Campbell, in cases of shipment by American ports. In that case the local bill is sent to the agent of the Lehigh Valley or the New York Central lines in Toronto, and they issue a through bill of lading from those lines, and

I want to draw your attention to the fact that in every case the bills issued by those lines contained a clause eliminating all these objectionable clauses in the bill of lading. That is, while all these objectionable clauses, or many of them, appear in the bill of lading, there is a further clause which reads as follows:—

'That this shipment, until delivery at the port above mentioned, is subject to all the terms and conditions of and all the exceptions from liability contained in the Act of Congress of the United States approved on the 13th day of February, 1893, and entitled "An Act relating to the navigation of vessels," thereby eliminating all the objectionable clauses, and I must say that Senator Campbell's Bill is to all intents and purposes a copy of the Harter Act, excepting the wording of it, and that is the reason why it meets our approval.

Hon. Mr. LOUGHEED.—That is the Act referred to in the bill of lading, is it not?

Mr. WATTS.—Yes.

Hon. Mr. LOUGHEED.—What is the title of the Act?

Mr. WATTS.—'An Act of Congress of the United States, approved 13th day of February, 1893, an Act relating to the navigation of vessels.' It is known as the Harter Act, and it says: 'This Act shall take effect from and after the first day of July, 1893; approved February 13th, 1893.' That is a copy of the Harter Act sent by the Interstate Commerce Commission, as it is out of print. It is Chapter 105. Now I will be glad to answer any questions.

The CHAIRMAN.—The gist of your evidence is to the effect that with the exception of two small amendments by way of addition, you approve of the Campbell Bill.

Mr. WATTS.—Yes.

The CHAIRMAN.—And that you desire it to go into effect as soon as possible?

Mr. WATTS.—Yes.

The CHAIRMAN.—Have you any documents you wish to file with the committee?

Mr. WATTS.—If the committee wish any of these documents to be left with them, I can leave them.

Hon. Mr. CAMPBELL.—There are five or six representatives of steamship companies here, and possibly they might have a word to say.

Mr. FRANCIS KING.—I am, unfortunately, without instructions at the moment. I represent the Dominion Marine Association. I am here upon the same short notice, or probably shorter notice than was received by the shipping lines in Montreal. I never saw that Bill until Saturday afternoon, whereupon I wrote a letter hurriedly to Senator Campbell, which I afterwards withdrew. In pleading for a slight delay, I would like, first of all, to say that the association I represent should stand absolved from any possible prejudice that may have arisen in the minds of the senators present on account of the *prima facie* case that may have been made out against the transatlantic bill of lading. Taking only the grain section of our association, vessels engaged in the carriage of grain, we can float at the opening of navigation, if we can get them loaded, some six million bushels. Every one of the vessels engaged in that trade will be affected by the Bill, just as those going from Montreal down to the ocean. What is our bill of lading? Our bill is such that we have been trying to draft one ourselves recently that would contain some single reasonable exemption from liability. We have only one clause, and that has appeared variously. In some bills it is 'The dangers of navigation excepted.'

The CHAIRMAN.—That is excepted by the Bill.

Mr. KING.—That is the one clause we have, and in the Bills prepared by the shippers it reads, 'The dangers of navigation excepted.' And if the present proposed legislation were passed, I think with respect to grain vessels, our position might be improved rather than otherwise. My people do not know anything about what is going on to-day, and they have a very substantial interest, and should be given an opportunity to say something about it. Not one of them, with the exception of one

official, has said a word to me before I arrived here to-day, and I ask for delay, not only because we ought to be given a chance to say what reasonable restrictions and what reasonable exemptions we should enjoy. We must have both, and also because I do not think to-day we are in a position— —

Hon. Mr. GIBSON.—You are getting four weeks.

Mr. KING.—If that is so, I would sit down at once.

The CHAIRMAN.—That has not been agreed to.

Mr. KING.—I would prefer very much to reserve everything I have to say, if only I could get what I consider a fair delay. With that understanding, I would resume my seat.

The CHAIRMAN.—You are not prepared to deal with the merits of the Bill?

Mr. KING.—No, not at all. I urge that we should have delay.

The CHAIRMAN.—I observe that Mr. Drinkwater is present. Is he prepared to make any statement?

Mr. DRINKWATER.—I am simply here watching on behalf of the Canadian Pacific Railway, but I am not prepared to take any part whatever in the discussion to-day. I would join my request to that of Mr. Meredith and the other gentlemen who have just spoken for delay, in view of the very great importance of the question which this Bill raises, involving a radical departure from the bill of lading that has been in force for so long, and I think we should have a further opportunity of discussing it, and of reading carefully the statements which have been made, and which, I understand, will be printed and distributed.

The CHAIRMAN.—Is there anybody here representing the Furness Line?

Mr. VICTOR E. MITCHELL, advocate of Montreal.—I represent that line.

The CHAIRMAN.—Are you prepared to go on?

Mr. MITCHELL.—No, I am not.

The CHAIRMAN.—I think it would be well if every one here in a representative capacity should register.

Mr. HENSLEY. I represent Pickford & Black, of Halifax, who only got the Bill on Saturday. I happened to be west, and they telegraphed me to look into it, and I am of the same opinion, that it should be delayed to give us a chance to look into it. That is the first chance I had to look into it. I think, in four weeks' time, I would be able to put my views before the committee.

The CHAIRMAN.—This is the first meeting of the committee on the Bill, and, consequently, no action could be taken before. A number of people have been notified, at the request of the promoter, but the notification has not been sufficient, and it will be a matter for the committee to decide if notification of a general character is to be issued, and to whom and how. I think it is a very important matter. We apparently, if I interpret rightly the feeling of the committee, were prepared to grant a certain delay. If we grant a delay we must arrange to notify as many as we can who are interested in the Bill.

Hon. Mr. KERR.—Mr. Flavelle is here, representing an interest in favour of the Bill, and he would like to be heard.

Mr. J. D. FLAVELLE, of Lindsay (representing the Dominion Millers' Association). —I am not going to occupy much time after the very full and able manner in which Mr. Campbell has presented this Bill, and his reasons for so doing, coupled with the remarks of the gentlemen following. I wish to say a very few words on general lines. I was astonished at the array of talent down here who state that they have not a full knowledge of the Bill. They are not able to give any information on their side of the question; and I am forced to the conclusion—and I hope I am correct—that they have considered it in a measure, and they believe it is in their interests to favour this Bill, and are sparring for time to make up their minds as to the wisest course. Mr.

Meredith mentioned the fact that the Canadian export trade was only infinitesimal as compared with the rest of the world. I hardly think you will agree with that. It has been growing up by leaps and bounds, and the position they take with reference to the objectionable clauses of the bills of lading is not going to further Canadian export. We are all interested in having it increased, and if they put a handicap on the ships they are cutting their own throats, and I think now they will consider seriously whether they are going to handicap not merely the shippers, but their own steamers. I think the exports of Canada will compare favourably with those of the Comonwealth of Australia, and Australia and the United States are the two largest exporters in the world.

Mr. MEREDITH.—So that there will be no misapprehension, I did not refer to the export trade. I referred to the hulls, the Canadian bottoms. I am very glad to agree with you that the exports of Canada are increasing by leaps and bounds.

Mr. FLAVELLE.—It has been brought to your attention that having these objectionable clauses in the bill of lading makes us pay more for insurance; but that, after all, is infinitesimal. That is not a serious objection. You are all aware that in matters of business we put the least possible trouble in the way of the receivers of our goods at the other end. That is where the trouble comes in. It is the loss of trade by the continuous nuisance of making small claims upon the insurance companies, which the ships are responsible for under the Harbour Act in the United States. I claim that, from a national standpoint, as Canadians, we should not be handicapped in our line of steamers in not getting as good or better terms than the United States. The question has been asked, what is the English bill of lading? I cannot say. I am an outward shipper, not an importer. I do say, however, that we have a right to demand from the government here that we shall be put on a parity with the two large competing countries who are competing with us for that trade. We only want fair play. Senator Campbell is right in stating that probably not one single bank knows the difficulty they are in in regard to the bills of lading. We simply get a bill of lading from the railway company, which refers to the ocean bill of lading. I did not know it till I got this bill of lading that was presented to the Royal Grain Commission. I was not aware it had these disabilities. If these things continue, I shall make it a point, as far as our shipping is concerned, to put it through the New York lines, and get it on a proper basis. We want fair play. There are men of ability here representing the other side of the question, who know all about this matter, and they refrain from making any explanation, simply because they are sparring for time, and considering whether they had not better support Senator Campbell's Bill.

The CHAIRMAN.—The question is as to the length of our adjournment.

Hon. Mr. FORGET.—The Senate, I understand, will adjourn for the Easter holidays, and we might fix a date after the adjournment.

Hon. Mr. CAMPBELL.—I move that the further consideration of this bill be adjourned for two weeks.

Mr. MEREDITH.—Surely two weeks is too short a delay. Already one of my clients has sent this bill to the owners in Scotland, and, as far as I know, they sent it the day they got it. How could we get an answer in two weeks?

Hon. Mr. LOUGHEED.—You cannot seriously contend that we are to consult the interests of Norwegians and foreigners?

Hon. Mr. PERLEY.—We want to adjourn a sufficient length of time to enable them to communicate with each other.

The CHAIRMAN.—In fixing the delay, a very important question is the notification of parties interested ,and we must consider both questions at the same time.

Hon. Mr. WOOD.—I move that the hearing be adjourned for five weeks, to bring it just after the Easter adjournment. That will enable the agents here to communicate with the owners in Scotland or elsewhere. I think that is only a reasonable time.

The CHAIRMAN.—Easter will be on the 19th. I think we had better adjourn to the 23rd April.

Hon. Mr. CAMPBELL.—We shall not be in session then. These gentlemen want to postpone the consideration of the bill so that there will be no possibility of putting it through this session.

Hon. Mr. WOOD.—The hon. gentleman might have introduced his Bill four months ago. I think those who are affected by it have an equal right to have their claims considered at this stage of the session as if the Bill had been introduced at the opening of the session, and that they should be given the same time to make their case. Personally I am not opposed to the Bill. I must say that the statements made to-day have made a favourable impression on me, and I am rather in sympathy with the Bill, but I think we should give every person interested a fair hearing.

Hon. Mr. ROSS (Middlesex).—If we have not a full argument at the end of two weeks, we can adjourn for another two weeks. It is a very large question, and perhaps it would be better to have a preliminary discussion in two weeks, and the committee could have the matter in control, and adjourn for another two weeks.

Hon. Mr. FORGET.—I desire also to tell the committee that I am not against the Bill. I am in favour of it. I think it is a very good measure, but I want to give these gentlemen time to answer it. What has been said this morning has convinced me that there is something wrong.

Hon. Mr. GIBSON.—I was under the impression that the committee tacitly agreed that a month should be given to the interests represented by these gentlemen this morning. That is my understanding, and I think Mr. Meredith's understanding. I am as strongly in favour of the Bill as any member of the committee, and I do not think we are going to lose anything by giving the steamship companies, those men representing the steamships, an opportunity to answer, and I think that the delay will not only facilitate the passage of the Bill, but it will have the effect of placing before the country, before the banking institutions of Canada and before the people who are exporting goods, ideas that never occurred to them before. The statements that have been made this morning are to be printed, by the order of the committee, and will be sent to the shipowners and distributed here, and it will be up to them at the next meeting of the committee to state what is to be said against the measure, because they will have every opportunity to consider it. The question in my mind is as to who should be notified. In the interests of a large corporation like the Montreal Board of Trade and the steamship companies, that notification should come from the committees, and, if they do not appear, they will have no excuse.

Hon. Mr. MCMILLAN.—I understand we are likely to adjourn at Easter till the 2nd of May?

Hon. Mr. JAFFRAY.—I think the suggestion of the Hon. Mr. Ross meets the case, that we adjourn for two weeks, and if there is any good ground for further adjournment, it will be granted, and we will know better at that time whether we can go on with it or whether there should be an adjournment, and what the proper length of the adjournment should be.

Hon. Mr. WOOD.—My objection to that is this: the gentlemen who are here, and who know as well as any person, and better than any member of the committee itself, how soon they can be prepared to appear before the committee and give us all the information, say that they cannot be ready in two weeks, and the effect of adjourning for two weeks is simply to bring a number of people here, just to have another adjournment.

The committee divided on the amendment proposed by the Hon. Mr. Wood, which was lost on the following division:—Yeas, 10; nays, 11.

The main motion was carried.

Hon. Mr. CAMPBELL.—I think the Federation of Steamships should be prepared to submit a defence, and it would be advisable for the committee, if they would sub-

mit those bills of lading to the committee before the next meeting, or at least bring them with them. I will move that the Federation of Steamships be required to submit the bills of lading.

The CHAIRMAN.—Then, who are to be notified, and how? At the request of Mr. Campbell, the Allan Line, the Dominion Line, Canadian Pacific Railway, the Grand Trunk Railway, the Black Diamond of Montreal, the Board of Trade of Montreal, the Pickford & Black Company of Halifax and other associations have been notified. It is quite evident very much larger publicity must be given.

Hon. Mr. DOMVILLE.—William Thomson and Company of St. John are shipowners, and they should be notified.

Hon. Mr. WOOD.—And the boards of trade.

The CHAIRMAN.—And the insurance companies.

Hon. Mr. MCMULLEN.—I move that the committee recommend to the House that the evidence be printed and circulated.

Hon. Mr. CAMPBELL.—Not until we have heard all the evidence. These men have shown the white feather, and they want to hear all of the one side before they open their defence.

Hon. Mr. BOSTOCK.—There are many steamship companies out at the coast, and they should know about it.

Hon. Mr. MCGREGOR.—Other companies have found a way of getting information when Bills are before parliament, and why can these people not do it? I do not think we should go to any extraordinary trouble to notify them.

Hon. Mr. FORGET.—When a Bill is before the House, it is advertised for a certain time.

Hon. Mr. JONES.—I ask that the Boards of Trade of Vancouver, Winnipeg, Toronto and Hamilton be added to the list which has been read.

Hon. Mr. BEIQUE.—I suggest that the Chambre du Commerce, Montreal, be notified.

The LAW CLERK.—The committee will have to obtain authority for employing the shorthand writers, and also authority to have the evidence printed, and an order for a certain number of copies, and that the distribution of those copies be left subject to the order of the committee itself.

Hon. Mr. CAMPBELL.—None of the copies will be furnished until the whole case is concluded.

Hon. Mr. GIBSON.—I cannot understand any objection to furnishing people at a distance with what has taken place before the committee. The fact that all the evidence will be printed after the Bill is passed is of very little value whatever. We will get from them new ideas perhaps, and those who come here will know exactly what has been said, and it will prevent a repetition. I think the object will be attained by furnishing everybody with what has taken place this morning. I move that 1,500 copies of to-day's proceedings be printed.

The motion was agreed to.

The committee then adjourned.

PROCEEDINGS

OF THE

BANKING AND COMMERCE COMMITTEE

OF THE

SENATE OF CANADA

IN CONNECTION WITH

BILL (Z), AN ACT RELATING TO THE

WATER-CARRIAGE OF GOODS

No. 2—APRIL 2, 1908

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1908

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MINUTES OF PROCEEDINGS.

COMMITTEE ROOM, No. 8,
THURSDAY, April 2, 1908.

The committee met at 10.30 a.m., the Honourable Sir George Drummond, K.C.M.G., in the chair.

The CHAIRMAN.—Are there any parties representing the interests which are affected by this Bill present? If so, we should like to know. Mr. Meredith, whom do you represent?

Mr. MEREDITH, K.C.—I am retained by the Dominion Line, the Allan Line, the Dominion Coal Company, the Quebec Steamship Company, the Elder-Dempster Line of steamships, the Head line of steamships, and the Hamburg-American Packet Company. There are other gentlemen here, I know, representing other interests.

The CHAIRMAN.—Is it the pleasure of the committee to hear Mr. Meredith in opposition to the Bill?

Mr. MEREDITH.—Would it be proper for me to ask if there is any further evidence to be adduced before the committee by those in favour of the Bill, so that we might have their whole story before us—all the complaints? It is rather difficult to meet objections unless we know all the objections.

Hon. Mr. SCOTT.—A *prima facie* case having been made out, it is only right and proper that the other side should state their case. Certainly a *prima facie* case has been made out.

Mr. MEREDITH.—Mr. Geoffrion is acting with me for the lines I have mentioned. I regret to say that I am instructed to ask for a postponement which will allow us to receive from the parties most interested, the owners of the ships who will be affected by this legislation if it is passed, a sufficient delay within which to receive a communication from them. I felt satisfied when I appeared before you two weeks ago that it was necessary that we should get one month, as we could not possibly expect to communicate this Bill to the people interested in Europe and have an answer from them as to the attitude they take towards the Bill. I should like to be frank, and I may say that I have my personal views about the Bill; but supposing I were to state them——

Hon. Mr. LOUGHEED.—Would not the opposition of the Canadian companies be quite as cogent as those of the Norwegian or British shipowners to whom you referred on the last occasion of our meeting? The same reasons would apply. Surely the Canadian carriers can advance quite as strong reasons as those foreign to Canada can.

Mr. MEREDITH.—I will answer that in this way. The Bill might be constitutional in so far as the coasting trade is concerned, and be absolutely unconstitutional in so far as the Trans-Atlantic trade is concerned. I did not wish to go into this matter to-day, but there is a serious constitutional point involved in this Bill, more especially in so far as it attempts to deal with shipping outside the territorial waters of Canada.

Hon. Mr. LOUGHEED.—Your own views on the constitutional question would have very much more weight with the committee than those of the foreign carriers.

Mr. MEREDITH.—Suppose I were to give my views, for what they may be worth, on the constitutional question, and instructions came from the people most interested in England that they did not, for some reason, wish to raise the constitutional ques-

tion, would I not, as a matter of fact, as a lawyer, be putting myself in a very false position towards my client? A lawyer can only speak by instruction of his client. You may say, 'Why are you here?' I am here by instructions of the agents of these Lines, who are not the owners of the vessels, but who know that legislation is contemplated in this House, and they instruct me to come up and ask for what they consider an absolutely necessary delay in order that they may receive instructions as to what attitude to take towards the Bill, and nobody can state—the agents cannot state—what attitude the owners will take towards this Bill. Their attitude may be diametrically opposed to the views that the agents may take and to my personal views as to this Bill. Therefore, I do not think that it would be proper. I ask you to consider my position. Nobody knows better than the honourable gentleman sitting opposite to me (Senator Lougheed) that a lawyer has to be very careful what he states without instructions, and that is my position to-day. To show you that this is a matter of good faith, so far as I am concerned, hoping that perhaps we might have had full enough cabled instructions to act from, we took measures to meet one question without in any way admitting that this Bill would be constitutional, which can be argued at a later date. We took measures to look into this question, for instance, the question that was made a great deal of, that owing to the terms in our bills of lading—bills of lading issued by the Lines which run ships from Canadian ports to England—as to whether, in view of those conditions, the insurance which shippers had to pay was higher than shippers at New York or Boston had to pay.

Now, we are prepared to offer evidence to you on that point. We can do that because, as a matter of fact, it is not a question of policy, it is not a question of attitude. Here is a fact that has been brought before you—one of the only reasons brought before you by the promoters of this Bill. They gave two reasons. They say one reason for asking for this Bill is that if you eliminate the objectionable clauses from these bills of lading, they can get cheaper insurance on their goods. Was not that one of the reasons? Another is, if you eliminate these objectionable clauses, their consignees in Europe will avoid the delays of collecting money damages from the underwriters on the other side. Now, I am prepared to-day, if you see fit, to put evidence before you on that point, which is really a very important point, and I can offer it because I can do so without instructions from my clients. Here is a question of fact, a most important question of fact: is it true, as gentlemen have stated here, that owing to the conditions they object to, as in our bills of lading, the shipper of flour by Canadian ports pays more than he does when shipping from New York, Portland or Boston? Now, I am willing to offer evidence on that point. To give you that evidence will take probably the morning; but if it does not take the morning I can go further than that, because I want to throw as much light on this matter as possible, always bearing in mind that, without receiving instructions, I cannot state what attitude my clients on the other side will take. But I can go this far, I can give some information to you hon. gentlemen which came to me by chance, information, to my mind, of the greatest importance in a matter of this kind. I will not deal with it at any great length until I have a decision as to what is going to happen, but I am prepared to put before you as concisely as possible what took place in London in 1907 at a conference held between the British Board of Trade, presided over by Mr. Lloyd George, president of the Board of Trade in England. That meeting was attended by an Australian delegation. I have the names here. I believe it was also attended by the premier of New Zealand, and other notable men, and by shipowners, and the very question that is before this committee now was debated fully in 1907. I have the motions and counter-motions, and I have an amended motion to the effect that it was not proper—but I will read the motion, because I should like to be very careful in the wording of it. I am about to read from an official copy of the proceedings. The original motion was made by Sir Joseph Ward. He was one of the colonial people who attended, and he moved the following motion:—

'That the terms and conditions of the bill of lading' (that is the English bill of lading) 'at present in general use are in many respects unsatisfactory to shippers and

consignees, and that in the interests of traders generally it is desirable that the Board of Trade should publish a form of bill of lading containing such reasonable conditions as in its opinion are sufficient to safeguard the rights of the shipper, shipowner and consignee.'

That is the main motion. Before I proceed further, I wish to say, and I say it without fear of contradiction, that the bill of lading, the English bill, that is to say the bill from England to Canada that they were criticising, is more onerous on the shipper than is the bill about which there is complaint here.

Hon. Mr. Ross (Middlesex).—Have you a copy of the English bill?

Mr. MEREDITH.—Yes, we have copies of all the bills. The bills of lading speak for themselves, and we have any that you wish to see. I have read the original motion. Now, an amendment was proposed to that motion by Norman W. Hill.

Hon. Mr. FORGET. Who was Mr. Hill?

Mr. MEREDITH.—He was a representative shipowner. I shall now read from page 7 of the official report of the conference the amendment moved by Mr. Hill. It is as follows:—

'That legislation restricting liberty of contract in charter parties and bills of lading is unnecessary and undesirable, inasmuch as the ordinary forms of insurance upon goods having been adapted to meet the well known exemptions from liability for the acts and defaults of the shipowners' servants, protection against loss therefrom can be more cheaply obtained by the shipper or consignee from the underwriter direct than by forcing a liability upon the shipowner, and thereby increasing the freight.'

Hon. Mr. MCMULLEN.—What is the case now with regard to shipments which go from Portland and Boston? When this Bill was presented last it was clearly proven to the committee that there was one form of bill of lading from Montreal and Quebec, and there was another form from Portland and Boston by the very same ships and by the very same parties. Are you prepared to explain why a different bill of lading is accepted and adopted from Portland and Boston from the bill of lading from Montreal and Quebec?

Hon. Sir M. BOWELL.—I think it would be better to let Mr. Meredith proceed. If a gentleman is advancing an argument and is interrupted it must throw him out.

Mr. MEREDITH.—I assure you I am not trying to beat around the bush.

Hon. Mr. MCMULLEN.—You are not dealing with the Bill.

Mr. MEREDITH.—I wanted to deal with two points in the Bill that I could deal with, without instructions from the owners, always intending to ask for this delay which I have been instructed to ask for. The amendment, you see, was by Mr. Hill, and here is what follows:—

'This amendment' (that is the amendment of the shipowners) 'was not accepted by the Colonial delegates,—

(That is New Zealand and Australia.)

'The resolution was supported'——

(That is the resolution of the New Zealanders.)

'was supported by the Australian and New Zealand delegates. The representatives of the Board of Trade and shipowners dissenting.'

(The representatives of the Board of Trade and shipowners dissenting—dissenting on the main motion.)

'The Colonial Office'——

(That is the Colonial Office in London.)

'was represented, but abstained from voting.'

I wish to deal with this simply to show you I am not averse—quite the contrary—

to giving any information that I can without violating my clients' interests. This is a verbatim copy of the proceedings, and it is instructive to note what the president of the Board of Trade, a minister of the Crown, said. The Hon. Mr. Hughes, who was discussing this question—either an Australian or a New Zealander, I cannot for the moment remember—makes this remark:—

'That is better than the existing law.'

Then Sir William Lyon, the Australian, said:—

'We are not going to alter our law.'

That was the Australian law. This was a question what bill was best to be accepted. Then the chairman, who is, as I have said, chairman of the Board of Trade, who was assisted at this conference by three other members of the Board of Trade, says:—

'We are not considering your law and the New Zealand law. This is a suggestion for Imperial law, which is a different matter. We could not accept the resolution.'

That is the resolution by the New Zealander.

'It is perfectly clear that the shipowners resisted, and at the present moment there is no demand from merchants here.'

This was in 1907. You have been told by the gentlemen in favour of this Bill that there has been a demand for a change in our bills of lading. The demand for the change in our bills of lading does not originate in Canada at all; it originates in Glasgow and London. But we find the president of the Board of Trade in London, as late as 1907, saying there is no demand for a change in conditions, which are more onerous than are the conditions of Canadian bills. Then, further on in the remark that I just gave as coming from the chairman, Mr. Dunlop says:—

'They are absolutely against it.'

Meaning the merchants. Then the Hon. Mr. Dougal Thompson says:—

'I think there is an objection. I saw several resolutions of the Chamber of Commerce recently in favour of better bills of lading.'

Then the chairman says:—

'But there is no real demand here, and you know very well that where there is no real demand for a thing, and you have a powerful interest affected, legislation is perfectly impossible. I am not discussing the merits, because it is no use. As practical politicians you know what the position is here.'

Further on, at page 103, the chairman makes this further remark:—

'I know there are certain things which one may be able to put through, but there are certain things which in the present condition of things it is absolutely impossible to put through. The merchants themselves are perfectly satisfied with the present system on the whole.'

Then Mr. Dunlop said:—

'They prefer it.'

I am reading straight on, not leaving anything out. Then the chairman says:—

'Where you get merchants and shipowners agreeing, it would be impossible for us to alter it.'

These are the Minutes of the Colonial Merchants' Shipping Conference of 1907, held in London.

Hon. Mr. KERR.—What is the date of it?

Mr. MEREDITH.—The first meeting of this conference was held on March 26, 1907.

Hon. Mr. KERR.—I should like to ask you a question with reference to that. Just dealing with it as we have it there, is there not a good deal to be said in consequence of the difference between the consignments from England to Canada and from Canada to England. As, for instance, this: English merchants, so far as their consent

and approval is concerned, are shipping a finished article, which is not exposed to injury, such as raw material, butter, eggs, flour and so on, and, therefore, they send the finished article, which is done up in packages, and protected largely. Is there not a difference there? I just ask for information.

Mr. MEREDITH.—I would be only too glad to give you any information on that point. Of course, it would require rather the experience of a man who knows about the shipping of goods than of a lawyer who makes his money——

Hon. Mr. GIBSON.—Easy.

Mr. MEREDITH.—Oh, no. I would say with the limited knowledge at my disposal. For instance, one of the complaints made against us is that we ask to be relieved of responsibility, for instance, for smells, and the contact of one article with another. We all know that goods of the finest texture, manufactured woollens, fancy articles, laces, and other such things that come over in ships from England, are very apt to be contaminated by being in proximity with goods which smell.

Hon. Mr. MCGREGOR.—Such fine goods as that are cased; many of them are put in tin boxes.

Mr. MEREDITH.—To tell you the honest truth, you are asking me a question which I think ought fairly to be put to a man of practical experience, of whom there will be many here. I would be only too glad to answer it if I could. It seemed to me that I could make this committee, at all events, aware, if they were not aware of it before—they may all have been aware—of this conference at which this very question was discussed most ably, because, I may say that the Australians and New Zealanders, although they have failed signally in their banking laws, are able men.

Hon .Mr. SCOTT.—They did not fail in their bill of lading.

Mr. MEREDITH.—Apparently Great Britain, the greatest maritime power in the world, thought they did. They have no mercantile fleet, and we have not yet had time to know what effect their Act will have on their own commerce and their own shipping.

Hon. Mr. CAMPBELL.—It has been in force for five years.

Mr. MEREDITH.—It has been in force since 1904.

Hon. Mr. LOUGHEED.—And the same law is in force in the United States.

Mr. MEREDITH.—Not exactly the same. At all events, dealing with that phase of the matter, supposing the same law were in force in the United States, the United States shipping has not been increasing, but decreasing since the Harter Act—I mean to say, the American hulls and American bottoms. The Harter Act has done nothing so far as I know, to build up an American mercantile fleet, and I think it is only fair —although I am a Canadian myself, and do not want to be anything else—it is only fair that, when we are going to legislate in regard to bills of lading and shipping, being a dependency of Great Britain, we ought to legislate at all events carefully, and that if we find that Great Britain, which owns half the mercantile fleet of the world, which carries half the international trade of the world, if we find that nation which has built itself up to its present tremendous size and wealth, has refused to legislate on a matter such as is before you, we ought to stop and examine the question very carefully.

Hon .Mr. LOUGHEED.—Have English ships or Canadian ships refused to carry goods from American ports because of the Harter Act?

Mr. MEREDITH.—There is a question of fact. As to that, sir, I am speaking with a very limited knowledge——

Hon. Mr. LOHGHEED.—Is is not very limited.

Mr. MEREDITH.—Well, it is indeed. You flatter me. I do not know as to that matter; but I would say that any British ship going to an American port would be obliged to insert in its bill of lading 'subject to the Harter Act.'

Hon. Mr. Ross (Middlesex)—Have the British ships refused to carry goods from Australia to Britain under the Australian law?

Mr. MEREDITH.—I could not tell you that, really. I have no personal knowledge of it. How could I know?

Hon. Mr. Ross (Middlesex).—That is what you are here for.

Mr. MEREDITH.—We have not had time to get an answer from England.

Hon. Mr. LOUGHEED.—Do the Harter Act and the Australian Act, in any way, limit the amount of shipping? The goods are carried chiefly by British bottoms from American and Australian ports, and all that British shipping is subject to these Acts, the Australian Act and the Harter Act.

Hon. Mr. MCGREGOR.—And the British ship knows before she goes to those ports the conditions.

Mr. MEREDITH. The question of the constitutionality of the Australian Act has not yet been raised in England, but I happen to know that opinions have been taken on that question in England from very eminent counsel. But I thought—if I might be allowed to say this, in all fairness to my clients—that we should make this request that the committee would grant us a postponement until we hear what attitude our people in England and Europe want us to take in regard to the Bill. I am perfectly prepared on this question of insurance, to offer evidence. That is a very important point.

Hon. Mr. SCOTT.—But that is really not an element in the Bill. It is not a Bill relating to insurance. It is in regard to the unfair clauses in the bills of lading. This matter of insurance is quite a side issue.

Mr. MEREDITH.—Might I suggest to Mr. Campbell—because evidently there is a difference of opinion between us on that point—whether the reasons given in support of the Bill during the proceedings here on March 19 were not that if this Bill were passed the shipper would have to pay less insurance on his goods than he does at present.

Hon. Mr. SCOTT.—That was not a material part.

Hon. Sir MACKENZIE BOWELL.—That was one statement.

Mr. MEREDITH.—Surely it is proper for me to show that is not the case; that with the bills of lading which are objected to now the shipper ships his goods and he does not pay one iota more on account of the conditions than he would pay if those conditions were expunged.

Hon. Mr. CAMPBELL.—I think we will be able to prove that he does.

Mr. MEREDITH.—I ask to offer evidence on that point. Hon. Mr. Scott tells me that has nothing to do with the Bill.

Hon. Mr. SCOTT.—Perfectly correct. It has *nothing* to do with the Bill. The question is, are those clauses reasonable? Can a shipping company contract itself out of all obligation? That is simply the point. All this talk is simply throwing dust in people's eyes.

Mr. MEREDITH.—I thought I would have to meet all points that evidently had been made by the Hon. Mr. Campbell and those in favour of the Bill. They adduce evidence to show that on account of these so-called unreasonable conditions in our bill of lading, the shippers have to pay more insurance on their freight than they would if these unreasonable conditions were not there.

Hon. Mr. GIBSON.—You have made the statement that you are prepared to disprove that fact, and, that being so, we are bound to accept your statement; but how much less would our Canadian shippers have their insurance with the elimination of these severe conditions?

Mr. MEREDITH.—I am prepared to offer evidence on that point. The other point that was made by the gentlemen who supported this Bill, if I read the proceedings correctly, was this: that if the so-called unreasonable conditions were taken

out of our bill of lading they would have less trouble in collecting claims for damages to goods on the other side, and that their consignees would have less trouble. I am prepared to offer evidence on that, and those are the only two points that were made in support of this Bill.

Hon. Mr. McMULLEN.—No.

Mr. MEREDITH.—What other point?

Hon. Mr. McMULLEN.—The point was made that the provision in your shipping bill with regard to shipments from Portland and Boston does not contain the drastic and unreasonable conditons which appear in the Canadian bill. It was proved there were those conditions, and you have not one word to say about that. Why do you not prove that there is no such condition in the Canadian bill as compared with the American bill? Can you explain why the Canadian shipowner will carry goods from Montreal and Quebec under a bill of lading with the drastic provisions spoken of by the Hon. Mr. Campbell, and steamships will carry goods from Portland and Boston on bills of lading with less drastic and objectionable provisions in them?

Mr. MEREDITH.—As far as my limited knowledge will allow me, being a lawyer and not a shipping man, I would say that if a boat, no matter of what nationality, goes to an American port, she is to have inserted in her bill of lading, 'subject to the terms of the Harter Act,' whatever those terms may be worth. Now, in addition to that—I want to be very correct in what I say, and there are a number of bills of lading—I think I can fairly state that you will find in those bills of lading practically all the so-called objectionable causes, the only difference being that you will find inserted in the body of it, for what it may be worth, 'outgoing bills of lading subject to terms of the Harter Act.' But you will find in the very same bills of lading conditions which are at variance absolutely with the Harter Act.

Hon. Mr. LOUGHEED.—But they are invalid.

Mr. MEREDITH.—They may or may not be when you get to England. I am not prepared to say as to that; but it would depend on what view the English courts took of the bill of lading considered as a whole.

Hon. Mr. CAMPBELL.—Would you be able to point out those clauses?

Mr. MEREDITH.—I think they are in some of the bills of lading here. What bills of lading would you like to have produced before you? It is difficult for me to tell, there are so many.

Hon. Mr. CAMPBELL.—You say that in the ships sailing from Portland and Boston you will find the same objectionable clauses?

Mr. MEREDITH.—Yes.

Hon. Mr. SCOTT.—I should like to ask a question. At the last meeting we were given to understand that the subject was communicated for the first time to the shipowners, and that it was not fair that they should be taken unaware. We find from Mr. Meredith's own statement that the question was threshed out nearly a year ago, and, in addition to that, there are letters from the London Flour Trade Association of a very recent date, signed by Mr. Odam, honorary secretary, in which he says:—

'This association'——

That is the London Flour Trade Association, Corn Exchange, London, EC.

—'has had several interviews and some correspondence with the Canadian Federation of Steamship Lines with reference to the bill of lading on which flour is shipped to London, and we understood in June last that the whole question was referred to Montreal, but up to to-day we have heard nothing.

'We can do practically nothing more on this side, and it rests with the millers and shippers of flour in Canada to bring such pressure to bear that the clauses objected to should be taken out of the bills of lading altogether.'

I ask you if it is really fair, when this matter was threshed out a year ago, to make the statement which has been made? I appeal to your own good sense and

judgment. You are talking about insurance. It is not an element. The question is: are those bills of lading fair and just, particularly to lines of steamships that are subsidized by the people of Canada, that they should be permitted to contract themselves out of all obligations, and that is really the material question, and I think it would bring a solution earlier if we got ourselves down to the direct issue, whether the companies are prepared to so modify their bills of lading as to make them acceptable to the shippers, because it must be apparent that all the people of Canada, 95 per cent of them at all events, are interested in having fair-play. Those bills of lading are not tolerated in other countries where they have independent legislators. I can quite recognize that in England conditions have existed for very many years, and it is extremely difficult to change them. Those conditions do not exist in Canada, nor in the United States, nor in Australia; but when it was pointed out at our last meeting that on our shipments from Portland two cents more was charged on a barrel of Canadian flour going from that port than was charged on flour shipped from the United States, I do not think it is patriotic to Canada, nor is it treating our shippers fairly; and I think the only way is to look at this thing in its nakedness, and deal with it fairly and squarely, and not on side issues. One paragraph allows them to deliver goods to the consignee without production of the bill of lading, thereby jeopardizing the position of the banks in Canada. If that were known in Canada who could get a dollar on any shipment?

Hon. Mr. GIBSON.—The last meeting was the first intimation the banks received.

Mr. MEREDITH.—There has not been an instance referred to in which any loss is sustained, and I would point out that that will be dealt with very fully when it comes up; but to say that this parliament should pass this Bill and follow the United States and Australia I do not think would be advisable. The hon. gentleman is not correct, in my judgment, in stating that this bill of lading that we use is not tolerated elsewhere. As a matter of fact, this form of bill of lading which is objected to is the bill of lading used in every country in the world excepting Australia, New Zealand and the United States.

Hon. Mr. LOUGHEED.—Do not British ships carry most of the goods between Great Britain and American and Australian ports?

Mr. MEREDITH.—I should doubt that, but I do not know.

Hon. Mr. LOUGHEED.—The question that is agitating me is, why British ships should carry goods from American and Australian ports subject to the Harter Act and the Australian Act, and refuse to do the same thing in Canada. That is the whole thing in a nutshell. I would point out to you that in the Harter Act, notwithstanding any exceptions which the shipowners put in their bills of lading, those exceptions are void.

Mr. MEREDITH.—They may or may not be void, depending on the country to which the goods are brought.

Hon. Mr. LOUGHEED.—The first clause of the Harter Act reads as follows:—

'Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that it shall not be lawful for the manager, agent, master or owner of any vessel transporting merchandise or property from or between ports of the United States and foreign ports to insert in any bill of lading or shipping document, any clause, covenant or agreement whereby it, he or they shall be relieved from liability for loss or damage arising from any negligence, fault or failure in proper loading, stowage, custody, care or proper delivery of any and all lawful merchandise or property committed to its or their charge.'

I would direct attention to the last words of this clause, which reads as follows:—

'Any and all words or clauses of such import inserted in bills of lading or shipping receipts shall be null and void and of no effect.'

Having entered into a bill of lading that constitutes a contract, they cannot release themselves from it, and cannot contract themselves out of it. A British ship

carrying goods from a United States port, having entered into the bill of lading, which they are compelled to do, cannot claim exemption from its provisions.

Mr. MEREDITH.—That would be a question for the interpretation of the court.

Hon. Mr. LOUGHEED.—But that is the contract.

Mr. MEREDITH.—That would be the contract.

Hon. Mr. LOUGHEED.—And they carry the goods subject to the provisions of the Harter Act.

Mr. MEREDITH.—You also asked me why ships taking goods from Australia would be subject to the Australian Act?

Hon. Mr. LOUGHEED.—Yes.

Mr. MEREDITH.—Well, they could not get the goods in any other way. They have to do it.

Hon. Mr. LOUGHEED.—Then why should they not have to do it in Canada? That is the point I should like to hear some argument upon.

Mr. MEREDITH.—If it makes no difference, as we contend, to the shipper at all in the way of insurance, what has he to complain about in the conditions?

Hon. Mr. LOUGHEED.—Take Mr. Flavelle's case. He stated the conditions were so onerous that he felt inclined to, or that he did, ship his goods from American ports.

Mr. MEREDITH. He said he would.

Hon. Mr. LOUGHEED.—That is not a desirable thing.

Mr. MEREDITH.—It is quite open to Mr. Flavelle or anybody else to do so. If they can get as good terms from American ports as from Canadian ports they are welcome to do it. They are not tied down to any particular ports.

Hon. Mr. MCMULLEN.—But should we not protect our own ports so that Canadian goods will have as good a chance to be shipped from Canadian ports as from United States ports? We want to confine it to our own ports.

Mr. MEREDITH.—Nobody wishes to build up Canadian ports more than I do, but this Bill will have the opposite effect if passed, and I will prove that point to you. Owing to climatic reasons, the ship that comes to a Canadian port has to pay twice as much insurance on her hull as if the same ship went to Portland, Boston or New York. It is not wise and perhaps not advisable to have to admit it, but that is the situation, and the result is that the owner of a steamship coming to Canada is, first of all, handicapped by having to pay twice as much insurance on the hull as if that same ship went to Portland, Boston or New York. That same ship has to pay more pilotage to go up the St. Lawrence than to go to Portland, Boston or New York. That is another handicap. Then we have to compete in freight rates with Portland, Boston and New York. These boats that go to Portland, Boston and New York at once find that we who ship from the St. Lawrence are handicapped by the extra insurance on the hull and the extra pilotage. Where do we find ourselves? We have to offer the same rate as the ships from Portland, Boston and New York. We are handicapped and the owner who ships from New York knows it.

Hon. Mr. MCGREGOR.—You have the shorter voyage.

Mr. MEREDITH.—I do not know that it is shorter.

Hon. Mr. KERR.—Is that any reason why you should exact any different terms in your shipping bill?

Mr. MEREDITH.—I will tell you why I was bringing up that matter. The Hon. Mr. McMullen was making the point, as I understood him, that we were not doing our best to keep the trade for Canadian ports. I was trying to show him facts that I know personally, that the steamship owner who runs his ship to Canada is handicapped as against the steamship owner who runs his ship to Portland, Boston and New York. Why is this an important element? Why am I dealing with that and answering the hon. Senator? It is because we have to compete for freight rates and we have a hard time competing with Portland, Boston and New York in freight rates.

That is, the steamers leaving Montreal have to give the same freight rates as steamers leaving New York in order to get the trade. If, in addition to the handicaps that these steamship owners at present have, you add to that burden, which you are going to do by this Bill, what does that mean? You are going to add to the steamship owner's burden because you are going to make him become an insurer of the goods instead of the shipper, and somebody has to pay for that, as was well said in the conference in London. Somebody has to pay for that, and that has to go on the freights, and if you put it on the freights we cannot compete with New York, Portland and Boston. We are right up to the limit now, owing to the handicaps we suffer from the short season of navigation. Do you appreciate the fact that the climate in this country is entirely different from the climate in the United States, that owing to the shortness of our season we only have about six months' navigation in the St. Lawrence, and that means a serious matter to the shipowner? He has his agents and officers and everything in Montreal during the winter season, when the business goes from Halifax and St. John. We are handicapped already, and this Bill will have the effect of further handicapping us. It seems to me that there is something in this. If I can show you that, if you leave this Bill alone, it does not cost the shipper one cent more for insurance than it would if you took out the conditions objected to; if I show you that these conditions, which are objected to so much, do him no harm, why pass the Bill? If you pass the Bill what will be the effect? The shipowner has to insure the goods against what is called transportation damage, and in order to pay for that he has to charge it up to something and add it to his freight, and if he adds it to the freight, what good does that do to the shipper. Now, another point, and this is important. The shipper, as Hon. Mr. Campbell knows, has to insure his goods against perils of the sea, that is the ordinary clause, marine risk. They all do that. Take those flour men. Owing to their getting an insurance against the perils of the sea, they have been able to get from the companies what they call an all risk clause. That is to say, they get that for an infinitesimal amount when they take out their insurance against the perils of the sea. They get it for a very small fractional amount. I am prepared to show you that is the position. They get it for practically nothing, because they take out the marine risk on their goods. If this Bill goes through the shipowner has to insure the goods, and it will cost the shipowner a great deal more to insure the same goods than it does now for the shipper to insure the goods.

Hon. Mr. McGregor.—Why?

Mr. Meredith.—These insurance men will tell you. That is the fact. I am not afraid that I will not be able to establish that to your satisfaction. I have done my best now—and it is not very much—to enlighten you as far as I can personally on the point, without telling you what attitude the steamship owners in England are going to take in regard to this Bill.

Hon. Mr. McGregor.—Do I understand you to say that for negligence and bad stowage the shippers can get insurance cheaper than the owners of the ships can.

Mr. Meredith.—Yes.

Mr. Geoffrion.—Yes.

Mr. Meredith.—Here is the amendment moved in the conference in 1907 in London, moved by Mr. Hill, and voted for by all the British Board of Trade representatives, including the chairman, Lloyd George, one of the ministers of the Crown:—

'That legislation restricting the liberty of contract on charter parties and bills of lading is unnecessary and undesirable, inasmuch as the ordinary forms of insurance upon goods, having been adapted to meet the well known exemptions from liability for the acts and defaults of the shipowners' servants, protection against loss therefrom can be more cheaply obtained by the shipper or consignee from the underwriter direct than by forcing a liability upon the shipowner, and thereby increasing the freight.'

Hon. Mr. Lougheed.—Does this insurance cover every clause in the exemption?

Mr. Meredith.—Yes.

Hon. Sir MACKENZIE BOWELL.—I think the better way would be for Mr. Meredith to produce his evidence.

Hon. Mr. LOUGHEED.—We cannot conclude this inquiry to-day. You have a number of your clients present, representing the large carriers of the Dominion, and I would suggest that they be called upon to give evidence. You will have ample time to hear from your British clients before we terminate the inquiry.

Mr. MEREDITH.—Would it suit the committee, on this question of insurance, as to which there seems to be some doubt, if we could give some of the evidence we are prepared to give on that point now? That I do not mind doing. I know the hon. gentleman is a barrister himself, and I would ask, if we give our insurance evidence now, that we be not forced to proceed with the Bill, because we might commit ourselves to some policy in regard to it.

STEPHEN LYONS, of the city of New York, insurance broker, average adjuster for the firm of Johnston & Higgins, appeared before the committee and made the following statement :—

Q. I understand you are a member of the firm of Johnston & Higgins ?—A. I am.

Q. Johnston & Higgins, if I am informed correctly, are about the largest firm of insurance brokers in the States ?—A. We are.

Q. In addition to being insurance brokers, are you or the members of your firm members of United States Lloyds?—A. Yes.

Q. Underwriters?—A. Underwriters.

Q. Have you had communication of the Bill that is presently before this committee?—A. I have.

Q. Have you had communication of the printed proceedings of the meeting that took place on March 19 last?—A. I have carefully read them.

Q. Would you state to this committee if there is any difference at present between the rates of insurance on goods shipped on ships by United States ports and Canadian ports, and if so, is that due in any way to the Harter Act or to the terms of the bills of lading used by ships leaving Canadian ports, or to what cause is it due? —A. There is no difference in our experience and estimation on account of the Harter Act or the terms of Canadian bills of lading as at present enforced. There is an additional rate of premium charged by underwriters on risks from Canadian ports on account of additional marine hazard.

Q. I should like to make that, if possible, more clear. What I would call the transportation damage—the premium for transportation damage to goods—is that the same via United States ports as it is by Canadian ports?—A. For the incidental risks of transportation over and beyond the risks covered by policies of marine insurance there is no difference.

By Hon. Sir Mackenzie Bowell :

Q. I notice that the witness said in his first answer that in his estimation there was no difference. We would rather have the fact than his estimate of it. Will you explain to the committee exactly what you mean?—A. The question has never come up as to the definite point raised. We have never gone to underwriters as brokers and asked that question until now. We have now, I would say, since the question was raised, asked marine underwriters in New York, and they have told me—I was perhaps careless in the way I spoke—I would say in addition to my own estimation or that of our firm as brokers, we have asked leading underwriters in New York that fact, and they have confirmed the view we have held.

By Mr. Meredith (of counsel for the shipowners):

Q. So that in so far as the premium for damage to goods in transportation is concerned, leaving aside the ordinary marine risk, the premium is the same?—A. It is.

Q. Both by Canadian and United States ports?—A. Both by Canadian and United States ports.

Q. Even taking into consideration the terms on the Canadian bills of lading?—A. Quite so.

By Hon. Mr. Kerr:

Q. That is the all-hazard policy you are speaking of?—A. Yes. I refer now to the all-hazard clause.

By Hon. Mr. Campbell:

Q. Does that come under what is called the all-risk clause?—A. Exactly.

Q. You say it is the same from New York as it would be from Montreal?—A. The transportation risk, exclusive of the marine hazard, is the same from the interior part of the United States or the western provinces.

Q. Can you give us the rates from New York and also from Montreal?—A. No, I am not positive as to the current rates.

Q. Did you ever insure grain from Montreal?—A. Oh, yes, we have insured grain and flour from Montreal and from the western provinces for Montreal, and from United States ports via Montreal and Quebec.

Q. You do not know the rates?—A. No, they vary from year to year.

Q. Do you know the rates via New York?—A. Yes.

By Hon. Sir Mackenzie Bowell:

Q. Do they vary according to season of the year?—A. They do from Canadian ports very materially.

By Hon. Mr. Campbell:

Q. Are they the same from United States ports?—A. Yes, they are absolutely the same.

By Hon. Mr. Ross (Middlesex):

Q. Is there a higher rate from St. John and Halifax?—A. There is a higher rate from Montreal and Quebec than from St. John and Halifax on account of the risk of river navigation.

By Hon. Mr. Campbell:

Q. Did I understand you to say that the rates were the same from interior points in the United States and the western provinces by Canadian and United States ports?—A. No, I said we had insured from the western provinces, and there had been no discrimination. We had insured in times past. I know of one or two instances where we insured goods, Canadian flour and manufactures.

Q. Sailing from Montreal?—A. Yes.

By Hon. Mr. Forget:

Q. Is there any difference in the rates between shipments from Montreal, Halifax and Portland?—A. No, not on the same class of steamers.

By Hon. Mr. Campbell:

Q. Is there not a difference in September or October in the rates from New York and Boston as compared with the rates from Montreal and Quebec?—A. I could submit figures on that; I have not got them here.

Hon. Mr. CAMPBELL.—It is said the rates are much higher by the Canadian ports.

Hon. Mr. KERR.—I understand the witness to say that the rates are higher at all seasons of the year because of the marine part of the risk, but that there is no difference between the insurance of the merchandise by either route, either because of the shipping bill or anything else.

WITNESS.—That is correct.

By Hon. Mr. McGregor:

Q. If it is possible to ship from New York on a bill of lading under which the shipowner takes all risk, would you do it as cheaply in Canada under the bills of lading used here?—A. You mean irrespective of the Harter Act—assuming there were no Harter Act?

Q. Assuming there is a Harter Act. Suppose you can ship free from all risks, would you not have to charge more insurance where you cannot ship under such conditions?—A. I do not understand the difference—they do insure against all risks now.

Q. The Harter Act exempts you from liability for bad stowage or negligence on the part of the shipowner?—A. In certain cases.

Q. But they will not take the risk of negligence or bad stowage at the same rate? —A. I cannot say that that would be the case. We can only tell by what has been the experience before the passage of the Harter Act and since the Harter Act. The Harter Act has not affected the rate of insurance.

Q. You say it has not affected the rate of insurance?—A. No, not at all.

By Hon. Sir Mackenzie Bowell:

Q. According to the shipping bills, as I understand it, the shipowner is relieved from all responsibility from damage done to goods in transit. Now, if that were not the case would not the insurance be cheaper?—A. It has not proved so. Here the shipowners are relieved; in the United States they are not relieved from certain responsibility by the Harter Act, and it has not affected the rate.

Q. You charge as much now as if you were not relieved from responsibility and this responsibility were thrown on the carrier?—A. Absolutely.

By Hon. Mr. Lougheed:

Q. In the case of damage, what provision is there in your policy with reference to the insured looking to the carrier for damages?—A. That is always included in the insurance policies. The underwriters get what they can from the carrier.

Q. You reserve to yourselves the right to get what you can from the carrier ?—A. Yes.

Q. Can you give us any information as to the number of cases which your company would have against the carriers?—A. As to the frequency of those cases?

Q. Yes?—A. Oh, they are very common, almost everyday occurrences.

Q. That is to say, your actions against the carriers are very frequent?—A. Yes, very frequent.

Q. In that way you sustain very much less loss than, for instance, you would in Canada where there would be no liability as between the carrier and the shipper?—A. There is some liability. The English courts, in spite of holding a bill of lading as a contract, have held the carriers to a very literal interpretation of the clauses of the contract, and they do recollect now under the existing bills of lading, even from Canada, damage from the carriers.

By Hon. Mr. Gibson:

Q. Why should people be put to that expense, when you undertake to cover them from risk?—A. When the insurance is all risk, the underwriters are put to that expense.

Hon. Mr. GIBSON.—The whole trouble with the bills of lading is that they are printed in such a way that nobody can read them without a microscope.

By Mr. Meredith:

Q. How long have you been in the insurance business?—A. Upwards of thirty years.

Q. As an underwriter and as an insurance broker, you have said you looked at the Bill and read the discussion which took place on this Bill on March 19 last. In your judgment, if this Bill were passed, would it have the effect of lowering the rate of

insurance on goods from Canadian ports?—A. Based on our experience in America, I should say not. On the contrary it would have no effect on the rate charged by marine underwriters on cargo.

By Hon. Mr. McGregor :

Q. Are not the rates affected by the risk ?—A. They are based more, I am sorry to say, on competition than on risk at present. You read the reports of all the marine underwriting companies and you find it so.

Q. hey pay no attention to the risk ?—A. Some attention is paid to the risk, but competition enters very keenly into the question of rates.

By Hon. Mr. Lougheed:

Q. Could you give me any idea of the percentage of moneys recovered, say by the companies you represent, against the carriers on account of the right of action under the Harter Act ? What percentage would that be ?—A. It is a comparatively small amount, and it varies very much. Now and then there have been cases whereby considerable has been recovered by our own concern, but on the average it would be a small percentage.

Q. You cannot say what proportion it bears to your entire losses?—A. No, I could go over a series of years and see what has been our experience in our concern, but it is a very small amount and figures very little in the estimate of the cost of insurance. It is so much profit if you get it, but we do not count on it.

Q. You are that much ahead at any rate?—A. Yes, we are that much ahead.

By Mr. Meredith:

Q. In view of the experience you have had as an underwriter and as an insurance broker, would the passing of this Bill lessen any trouble or delay the shippers or consignees might have in recovering their loss?—A. It would certainly increase the delay and difficulty on the part of shippers recovering their losses.

Q. Will you explain that?—A. For the reason it is much more difficult and a much more complicated thing to attempt to collect a loss from a shipowner than from an underwriter. An underwriter issues a policy covering those risks, and is liable and takes his chances of recovering from the shipowner if any can be recovered. The shipowner issues no contract against it. He only holds himself answerable to the extent to which the law holds him, and he will test that by law every time.

Q. So that if this Bill were passed the consignee or shipper, instead of collecting as he does now under a policy of insurance, which is all-risk, would have to address himself naturally to the shipowner or the shipowner and underwriter?—A. Yes.

By Hon. Mr. Kerr:

Q. Supposing a shipper insures with you on the all-risk plan, and the goods are injured through negligence on the ship, through coming in contact with something they ought not to have come in contact with, you pay because you have insured the shipper against all risk?—A. We either pay in full or advance the greater part of it.

Q. You pay him ultimately?—A. Yes, ultimately.

Q. How do you recoup yourself ?—A. By forcing the shipper, under his bill of lading, to proceed against the carrier and obtain whatever reclamation he is entitled to in a court of law. Some shipowners cover by insurance. It is not usual in marine insurance on transatlantic steamers—I speak from large experience, because we insure a great many by the year—it is not usual to recover that risk. The shipowner takes that himself.

By Hon. Mr. Cox:

Q. It is a question between the shipowner and the shipper. He applies to the insurance company and gets payment, and if the insurer has any claim against the company, he claims against them. The shipper does not come into the matter?—

A. Except this way, the policy issued to the shipper contains what is known as a subrogation clause.

Q. The underwriter himself, if he has a claim against the shipowner, claims it, but he has to pay the owner direct?—A. Yes.

By Mr. Meredith:

Q. In further reference to the question asked by Senator Cox, if the underwriter pays the shipper and takes over the right of the shipper, if any action is taken against the shipowner it is at the insurance company's expense?—A. Always, so the shipper has no expense.

Hon. Mr. Cox.—If the shipper has no expense, what bearing has that upon this discussion?—A. I do not understand what you are trying to show by this evidence.

Mr. Meredith.—I asked this gentleman to come before this committee to show that even if the alleged objectionable clauses in our bill of lading were expunged, the rates of insurance on goods would remain the same as they are to-day.

Hon. Mr. Cox.—Having shown that by this evidence, what good will that do? It seems to me it is trifling with the time of the committee.

By Mr. Meredith:

Q. Can you tell us anything about insurance on the hull of a steamer coming to a Canadian port as compared with insurance on the hull of the same steamer going to a United States port?—A. Insuring vessels controlled by the International Mercantile Marine in the Morgan combination, which has a very large fleet of steamers engaged in the transatlantic trade, including Montreal, we found that the rate was practically doubled to include that risk. They do not insure their steamers, but the rate quoted was nearly double, about 85 per cent additional to the very lowest rate obtainable to other ports, and they decided not to insure.

Q. So what you call the marine risk on goods would also be higher than the American risk?—A. Yes, and always has been.

By Hon. Mr. Forget:

Q. You mean to say that Canadian hulls are not insured by your firm?—A. I only spoke of the vessels of the Dominion, the White Star and three or four lines which are not insured.

Q. Not insured at all?—A. Not insured at all.

Q. Not even with the English companies?—A. Not even with English companies. They are absolutely at owners' expense on account of the high rates.

By Hon. Sir Mackenzie Bowell:

Q. They insure their own vessels?—A. Yes, even where they insure other transatlantic steamers where the rates are rasonable. I am speaking of those controlled by the International Mercantile Marine.

By Mr. Meredith:

Q. If any boat of that Dominion Line were to come to a Canadian port, insurance would be exacted on her hull double of what would be demanded if she went to a United States port?—A. Yes.

By Hon. Mr. McGregor:

Q. At all seasons?—A. Yes. They are covered by insurance for all the year.

By Hon. Mr. Béique:

Q. You are familiar with the clauses which are stated to be objectionable?—A. I am.

Q. They are clauses Nos. 1, 2, 3, 4, 5, 7, 16 and 18. I desire to ask you if the

underwriters are indifferent to these clauses remaining in the bill of lading or being expunged from the bill of lading?—A. I think the underwriter always wants to get all he can. He would accept cheerfully any gift of that kind he could get.

Q. If these clauses were expunged from the bill of lading the underwriters would be disposed to lower their rates?—A. No, that would not be the result.

Q. Would you explain why? Would it not materially improve the position of the underwriters if these clauses were expunged?—A. I thought I had explained in answer to a question from one honourable gentleman.

Q. It is very simple; would it not materially improve the position of the underwriters?—A. No, not materially, because the percentage of recovery, as I stated before, is exceedingly small, and does not enter into the calculation of the gross rate of premium.

By Hon. Mr. Cox:

Q. Any effect it would have would be to give the shipper cheaper insurance?—A. If it had any effect. It could not have the reverse effect, at any rate.

By Hon. Sir Mackenzie Bowell :

Q. Do you not increase the rate the greater the liability?—A. That is one of the elements of risk, the rate of premium, undoubtedly.

Q. Then if you were relieved of the responsibility now devolving on you in the carriage of these goods, and it were thrown on the shipowner instead, you say you would not lower the rates?—A. No, on account of the very slight percentage of advantage which that element casts into the whole scale. That has been our experience of many years.

By Hon. Mr. Campbell:

Q. Have you any forms of policies with you?—A. I have not.

Q. You did not bring any?—A. I did not.

Q. Can you produce some forms?—A. I will produce anything you desire to see. I shall be pleased to send them to the chairman of the committee.

Hon. Mr. KERR.—A policy with reference to Canadian shipping and one under the Harter Act.

By Hon. Mr. Campbell :

Q. Under the Harter Act, a steamer is not relieved of responsibility for loss or damage caused by negligence of the carrier, and when damage or loss does occur and the underwriters have to pay the bill—the shipper looks to the underwriter and the underwriter pays the bill?—A. Always.

Q. In this case, going from a Canadian port, under our present Canadian bill of lading, there is a clause reading that the ship is not responsible for any loss or damage, no matter how caused, that is capable of being insured. Under that clause they would be relieved from all responsibility at all, because you would insure?—A. If the courts so interpreted.

Q. We will take for granted the courts do interpret it?—A. The United States courts have——

Q. They have interpreted it in England?—A. Have they interpreted that clause?

Q. Yes?—A. Capable of being insured against?

Q. Yes?—A. I was not aware of that. I read all the English decisions carefully, but I was not aware of that.

Q. Now, under the Harter Act you would immediately recover against the steamship?—A. We try to.

Q. You do?—A. Not always.

Q. You do often?—A. Not always. We have had to conduct a great many lawsuits both in America and England.

By Hon. Sir Mackenzie Bowell:

Q. But you have that remedy?—A. Yes, and I should maintain that it exists still under this form of bill of lading, because the courts hold those clauses binding very strictly against the one who issues the contract, the steamship company, and unless he can show a very clear case before the English courts, they decide in many cases against the steamship owner.

By Hon. Mr. Campbell:

Q. If we accept this bill of lading, it is a contract, and the English courts decide it is binding on the steamer, and you have no recourse against the steamer?—A. It is binding under the English decisions, as we have read many of them, just so far as the phraseology carries it, but that phraseology is constantly being construed, and the result has been in the English courts that if the English steamship owner wished to protect himself he framed his clause wrongly.

Q. When you insure the shipper of goods, you ask him to assign all his rights for recovery of loss or damage to you?—A. We do.

Q. You also stipulate in your form of bill of lading that he has not done anything that would relieve the shipper from being liable to you?—A. In some cases they do, but that is not universal.

Q. It is stipulated that the shipper has not done anything to prejudice the claim that he assigns to the underwriters?—A. Yes.

Q. That is in all?—A. Yes.

By Hon. Mr. Campbell:

Q. We claim that when we sign a bill of lading like that, relieving the steamship company of all responsibility, we practically make our insurance no good, and that the underwriters could immediately repudiate and not pay the loss that would be incurred, because when we accept this bill of lading, that says that that relieves the vessel of all loss for damage caused by any action of their own that we have then stipulated ourselves against, and prevented the underwriters from recovering against that steamer, and therefore that the underwriters are not responsible to us. I just make that point now, because it is a very important one, and it affects all our insurance. We will be able to establish it later on to the satisfaction of this committee. —A. That clause being in the agreement, in any agreement with the shipper there is a rider put on these all-risk policies which states that it is subject to all clauses in the bill of lading, which completely upsets that particular clause in the printed part of the policy.

By Hon. Mr. Campbell:

Q. It would be very satisfactory to the committee if you could produce those forms?—A. We can produce those forms.

Mr. MEREDITH. I have a letter from Messrs. Dale & Co., written to William I. Gear, of the Robert Reeford Co., which I would like to file. It reads as follows :—

MARINE FIRE UNDERWRITERS.

Codes:

A. B. C. 4th and 5th Edition Western Union.
Insurance and Marine. Private.
A 1. Standard shipping.
Cable address, 'Insurance.'

DALE & Co.—

Chief Agents in Canada for British and Foreign Insurance Co., Ltd.
Alliance Assurance Co., Ltd. (Marien).
Royal Exchange Assurance, Ltd.

St. Paul Fire and Marine Insurance Co.
Thames and Mersey Marine Insurance Co., Ltd.
British Dominions Marine Insurance Co., Ltd.
General Agents for Montreal—
Sovereign Fire Insurance Co. of Toronto.
Mutual Life Assurance Co. of Canada.

CORISTINE BUILDING, MONTREAL, April 1, 1908.

WM. I. GEAR, Esq.,
The Robert Reford Co., Ltd., City.

DEAR SIR,—In reply to your inquiry of the 30th ulto., we beg to state that there would be no difference in the 'all-risk' rate, eliminating the marine insurance part of the risk, on two shipments of flour, one via New York, and the other via Halifax, both originating in the interior, with equal railway mileage to the sea ports, and equal tonnage, say the *Virginian* (Allan Line), from New York, and the *Victorian* (Allan Line) from Halifax, at the same period of the year.

Yours faithfully,

DALE & CO.

Mr. MEREDITH.—This is all the evidence, although I may have some more later on. If I proceeded further, I would be dealing with matters on which I am not instructed. It is perfectly true that some of the gentlemen who represent those lines in Canada are present, but these very same gentlemen have sent copies of the Bill to the owners in England, also copies of the proceedings held here on the 19th, but they have received no instructions. We could not possibly have instructions under the circumstances, and I think it is only fair that we should be accorded this delay. If I proceeded with other matters, I might find my statements repudiated by the people who are affected by the Bill. I have only attempted to meet questions of fact, independent of the policy of the Bill and independent of the attitude the owners of the vessels may take with regard to the Bill, and I do not see what good purpose can be served by proceeding.

Hon. Mr. CAMPBELL.—That is for the committee.

Hon. Mr. GIBSON.—It will be remembered that I suggested that some time should be given to these people in order that they might be in a position to get instructions from their principals. However, the committee thought differently, and confined the adjournment to two weeks. I think we have some shipowners in Canada, from whom we might obtain information direct, as to how it would affect them, because the shipowners, through a bargain made with the shipping trust, have practically put into every bill of lading these clauses, although the numbers may be somewhat different. Identical clauses will be found running through every bill of lading. Mr. Meredith must know that this matter has been before the shipping interest since last June, and that the London Flour Trade Association sent a circular letter to every hon. gentleman in the House of Commons as well as in the Senate.

Hon. Mr. DOMVILLE.—I have not received mine.

Hon. Mr. GIBSON. It has probably been sent to your home address. These people have exhausted all their arguments with the shipping interests of Great Britain against the large number of exemptions that have practically wiped out any responsibility whatever with regard even to the delivery of the goods under the bill of lading. They do not hold themselves responsible even for the delivery of the goods. They simply say they have exhausted all their energies, and have failed so far to get any degree of responsibility from the English shipowners. Mr. Meredith brought forward this conference in London on March 26, representing the United Kingdom, the Commonwealth of Australia and the Commonwealth of New Zealand. Canada was not represented, but, as I heard some honourable gentleman say here this morning, whatever Australia and New Zealand could get I think Canada should also receive. We should not have ear marks on our shipping. It is true, perhaps, that

the dangers of the St. Lawrence are great—but I doubt if it is very dangerous to those who are experienced navigators. I never met with any difficulty on any ships I was ever on by the St. Lawrence route. There is just as much danger crossing the Grand Banks from New York. I think our Canadian ships are subsidized to such an extent as to put them on a fair footing with steamers from United States ports. It cannot be said by the shipping men that they are not familiar with the conditions, because the complaints have been made to them, and so far they have been able to resist everything put before them, and they have now asked the Dominion of Canada to be kind enough to introduce this Bill and bring it before the Senate. They have caused an unnecessary alarm—perhaps not unnecessary, but an alarm—to the banking interests of the country, and these institutions were not aware until Senator Campbell brought out the information, that they were lending money on bills of lading worded in the way these have been. I think we should be put upon the same footing as other countries. We may be handicapped by the St. Lawrence route, but these people are paid for that.

Hon. Mr. DOMVILLE.—I am attending this committee, to hear evidence taken on behalf of the Senate, but when it comes to a vote I am not a member. This preliminary discussion should be denuded of all this phraseology of fairness and fair-play, because the shipowners must get fair-play and also the shippers, and it is time enough after we have all this evidence before us, when we get into the Senate, some people who know something about shipping, the maritime province men around here who have built and owned ships before some hon. members ever saw a vessel, when they get into the Senate they can express their views. Take Halifax and Pictou, we had the greatest shipowners in the world only a few years ago. They are modest enough to say nothing here, but perhaps when all the evidence is laid before us, they may come out with the practical common-sense of men knowing what the merits of the case are.

The CHAIRMAN.—Is there any one else here to represent the views of the shippers?

Mr. DUCLOS, K.C.—I represent a large association of British shippers; it is 'The North of England Protecting and Indemnity Association,' and I am acting simply on cable authority, my instructions being to ask this committee for a sufficient length of time in order that they may communicate with me more fully their instructions. I have very little to add to what Mr. Meredith has said at the present moment, and I am not prepared at this time to present the case of this association, who represent a large amount of British tonnage coming to our Canadian ports. It does seem to me that there is no necessity for great hurry, when conditions similar to this have existed in Great Britain, and still exist, notwithstanding the agitation by the shippers. I would support the application made by Mr. Meredith for a postponement sufficient to enable us to receive a communication from the parties we represent.

Hon. Mr. SCOTT.—Do you ignore all the conventions that have been held in London within the past year, in which the parties have discussed the question of relieving the shippers in Canada from the position they now occupy? It does not seem to me you are treating the committee fairly when you say the matter is new.

Hon. Mr. KERR.—Mr. Creelman is here, and also Mr. Geoffrion. Perhaps they have something to say.

Mr. GEOFFRION, K.C.—I simply appear with Mr. Meredith.

Mr. CREELMAN, K.C.—I would rather wait until the shipping companies are through. It would be more convenient.

Mr. DUCLOS, K.C.—I understand there is a statement in that letter that many attempts have been made at conciliation. I may say that that statement is considerably exaggerated, if not entirely unfounded. The cable instructions and the letter which immediately followed, written by the secretary of the association, stated that it was purely by accident that he had learned on the day of writing that legislation of the kind proposed here was about to be introduced or had been introduced. Under these

conditions it does not seem to me that we are asking the members of the committee anything very serious.

Hon. Mr. LOUGHEED.—Do you know of any Canadian shipowners or carriers that would like to be heard, or are we to assume there are none?

Mr. DUCLOS.—I represent none of the Canadian shippers

Mr. KING.—I should like it noted that the Dominion Marine Association is represented.

The CHAIRMAN.—The question now for the committee to decide is when we shall take this matter up again.

Hon. Mr. WOOD.—The reason I made the motion on the last occasion to adjourn for five weeks was to bring it on after the Easter holidays.

Hon. Mr CAMPBELL.—The session is far advanced, and I think it would be desirable not to jeopardize the passage of the Bill by too long an adjournment. These men have known all about this for months, and they came before us two weeks ago afraid to open their mouths. They want to hear the other side, and simply dilly-dally. Mr. Meredith has taken up the whole time to-day with frivolous matters, delaying progress. I should like to see the Bill passed before the House adjourns. Those gentlemen could appear before the committee of the House of Commons if they cannot appear here.

Hon. Mr. JONES.—That last suggestion does not appeal to me as a member of this committee, that we ought to pass this resolution with the expectation that further evidence would be offered in the Commons committee. This is an important Bill, and we should be in a position to send it down to the Commons in the best shape in the interests of the people of Canada. If we undertook to do otherwise, it might necessitate the Bill being referred back to us, and the object of the promoter of the Bill would be more likely to be defeated. I move that when this committee adjourn the further consideration of this Bill be postponed till the first Thursday after the re-assembling of the Senate after the Easter recess.

The motion was agreed to.

Hon. Mr. CAMPBELL.—I suppose it is understood there will be no further delay.

The CHAIRMAN.—No, I think not

Hon. Mr. KERR.—Are we to have the bills of lading ?

Mr. MEREDITH.—There are bills of lading covering lumber and other things.

Hon. Mr. BOWELL.—Send them up to us.

Mr. MEREDITH.—I think if we sent a general bill of lading——

Hon. Mr. KERR.—One covering perishable goods.

Mr. MEREDITH.—Yes, flour, grain, and so on. I presume you want the bills of lading that would cover grain or flour from Canadian ports on all the different lines that are represented.

Hon. Mr. ROSS.—Yes.

Mr. VICTOR E. MITCHELL.—I represent the United Kingdom Mutual Steamship Assurance Association, Limited, and the Standard Steamship Owners' Protection and Indemnity Association, Limited.

Further consideration of the Bill was postponed until the first Thursday after the re-assembling of the Senate after the Easter recess.

The committee then adjourned, subject to the call of the Chairman.

PROCEEDINGS

OF THE

BANKING AND COMMERCE COMMITTEE

OF THE

SENATE OF CANADA

IN CONNECTION WITH

BILL (Z), AN ACT RELATING TO THE

WATER-CARRIAGE OF GOODS

No. 3—MAY 7, 1908

OTTAWA
PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1908

1515—1

MINUTES OF PROCEEDINGS

THE SENATE,
COMMITTEE ROOM No. 8,
THURSDAY, May 7, 1908.

The committee met at 10.30 a.m., the Honourable Mr. Gibson in the chair.

The committee resumed the consideration of Bill Z, an Act relating to the Water-Carriage of Goods.

The CHAIRMAN.—The clerk of the committee is in receipt of two communications which I think it would be necessary to read before entering upon the discussion of the general principles of the Bill.

The clerk of the committee then read a communication, dated Toronto, April 20, 1908, from the secretary of the Canadian Manufacturers' Association, as follows:—

TORONTO, April 20, 1908.

Clerk of the Senate,
Ottawa, Ont.

SIR,—I have the honour to inform you that at the meeting of the executive of the council of the Canadian Manufacturers' Association, held in Toronto on the 16th instant, the following resolution was unanimously adopted in support of the Bill introduced into the Senate of Canada by the Honourable Mr. Campbell, cited as 'The Water-Carriage of Goods Act.'

'The Canadian Federation of Steamship Lines impose conditions in their bills of lading to which the shipper must subscribe, and which are intended to relieve the carrier from damage to goods whilst in transit. No such conditions are imposed by steamship lines operating from eastern United States Atlantic ports.

'Canadian exporters via Canadian routes are thus being outrageously discriminated against.

'Therefore, be it resolved, That the Canadian Manufacturers' Association heartily endorses the Bill now before the Senate of Canada, cited as "The Water-Carriage of Goods Act, 1908," by which it is made illegal for the carriers to insert in their bills of lading conditions which are intended to exempt them from responsibility for loss resulting from their own negligence or omission, and which they are justly entitled to assume as public carriers.'

Will you be good enough to acknowledge receipt.

(Sgd) G. M. MURRAY,
Secretary.

The clerk of the committee read a communication from La Chambre de Commerce du District de Montreal, which read as follows:—

LA CHAMBRE DE COMMERCE DU DISTRICT DE MONTREAL.

REPORT OF THE JOINT COMMITTEES ON LEGISLATION AND TRANSPORTATION.

These committees met on March 31 and April 13, 1908.

Present: Messieurs Isaie Préfontaine, A. V. Roy, Fred. C. Lariviere, Hon. Alph. Desjardins, A. N. Brodeur, W. U. Voivin, D. Masson and Fortunat Bourbonnier.

Object : Bill relating to Bills of Lading of Navigation Companies.

Mr. Isaie Préfontaine was requested to act as chairman of the Joint Committees.

1515—1½

Your committees on legislation and transportation, after having considered the proposed law (namely Bill Z of the Canadian Senate) relative to certain clauses of bills of lading of navigation companies at present imposed on shippers of Canadian merchandise and objected to by the latter, are of the opinion that the principle of the Bill is just and in the best interests of Canadian commerce, and that, for amongst other reasons, the following :

1st. The existing clauses in contracts of bills of lading, which are imposed by the Canadian Federation of Ocean Companies, and which go to the extent almost of compelling shippers to renounce all recourse against shipowners for loss and deterioration, though the same may be due to the fault and gross negligence of the latter, or of those from whom they receive them, are an abuse of the common right, and contrary to the fundamental principles of public order in matters of responsibility;

2nd. The imposition of the actual state of things subjects the Canadian shipper to additional costs of insurance to cover not only the ordinary risks of navigation, but also those which result from the fault and the negligence of the navigation companies;

3rd. The particular clause by which the navigation companies wish to relieve themselves of all responsibility in the delivery of merchandise in having the option to deliver them to the consignees indicated in the bill of lading, without taking any account of the negotiable nature of the document, and ignoring completely the rights of the holders in good faith of the document, robs the contract of its security and the advantages of its facility of transmission—injurious to the credit of commerce, and entailing, by the same fact, a disastrous obstruction to the progress of business.

4th. Our country having to maintain a competition with great countries such as the United States and Australia, which have the benefit of legislation, declaring null and of no effect, such contracts as those which are exacted here by the Canadian Federation of Ocean Companies, placed the Canadian shipper in an inferior position to those with whom he has to compete in foreign markets, a situation which is injurious not only to the particular interest of that shipper, but also to the development of the general commerce of the country.

Your committee believe, therefore, it is their duty to recommend to the council of this chamber to declare that the principle of this legislation relative to the responsibility of navigation companies for contracts for transportation, should receive as soon as possible the sanction of the parliament of Canada.

The whole respectfully submitted.

(Signed) ISAIE PREFONTAINE,
Chairman of the Joint Committees.

MONTREAL, April 15, 1908.

For certified copy,
(Signed) F. BOURBONNIER,
Secretary.

The CHAIRMAN.—The clerk of the committee has acknowledged receipt of both those letters, and it will be in order for some gentleman representing the shipping interests to address the committee. At the last meeting, if I remember aright, none of the gentlemen were empowered, or had any directions from their employers, or the shipowners, to accept the Bill in any form, and pleaded for an extension of time, which was readily granted by the committee. Perhaps the gentlemen are prepared now, after the long adjournment, to speak with more authority than they could do before, and the committee will be glad to hear any gentlemen who wish to be heard in opposition to the Bill. We might ask who are here, and whose interest they represent, so that they may be taken in their order if they desire, and I think it is only proper that the committee should be aware of the gentlemen who are here representing the shipping interests, as well as those who are in favour of the Bill.

Mr. FRANCIS KING.—I represent the Dominion Marine Association of Kingston, that association being practically the entire tonnage from the Great Lakes and the St.

Lawrence as far as Montreal, and I desire to say that I have been attending the sessions of this committee up to the present date, but have not had an opportunity to express the views of our association. We are not so entirely opposed to the Bill as the interests of Montreal, because our bills of lading on the lakes are very much more innocent documents than the ocean bills of lading, and I should not like the committee to adjourn to-day without hearing the few reasonable amendments our association proposes to insert in the Bill, if it is adopted.

Mr. A. C. DUCLOS, advocate, Montreal, representing the interests of the English Protective Indemnity Association, an association of British shipowners, among whom is the Thompson Line, which I especially represent, and they would like to state to the committee briefly their objections to the Bill.

Mr. VICTOR E. MITCHELL.—I represent the United Kingdom Mutual Steamship Association, Limited, the Standard Steamship Owners' Protection and Indemnity Association, Limited, and the Furness line.

Mr. DAVID P. LEWIS.—I am here representing the council of the Toronto Board of Trade.

Mr. C. D. WATT.—I am here representing the transportation committee of the Toronto Board of Trade, and also the joint committee of the Dominion Millers' Association.

Mr. J. D. FLAVELLE, of Lindsay.—I represent the Dominion Millers' Association.

Mr. MEREDITH.—I do not know that it is necessary for me to repeat what I stated the other day, but I represent the Allan Line, the Quebec Steamship Company, the Elder Dempster Company, the McLean-Kennedy Company, the Dominion-Leland-Hamburg American Packet Company, and the Dominion Coal Company.

Mr. A. R. CREELMAN, K.C.—I represent the Canadian Pacific Steamship Company.

The CHAIRMAN.—We would be very glad to hear the gentlemen who are opposed to the Bill, so that they might complete their arguments, and then I think the committee should hear those in favour of the Bill afterwards.

Mr. MEREDITH.—If it would please the committee, I would like to have the committee call two gentlemen who are versed in steamship matters, to give their answers to the objections made to the conditions of the bill of lading. One gentleman is Mr. Watt of the Allan Line, who has been with them for years, and the other gentleman is Mr. Coates of the Thompson Line and Donaldson Company, who has been with the Robert Reeford Company Limited, and Mr. Thom, who has been the manager of the Hamburg-American Packet Company, and who is now the manager of the Dominion Line and its different connections. Just a few words from these gentlemen to answer certain statements which have been made relative to these conditions. That is the only evidence, as far as I know, that the steamship people will ask you to hear.

The CHAIRMAN.—Do I understand you to say that you wish to put the gentlemen whose names you have mentioned before the committee to give evidence against the Bill, and that you desire to put some questions to them ?

Mr. MEREDITH.—I think the easiest way would be to ask Mr. Watt to stand before the committee and let him deal with the objections as stated in the circular flour letter which practically are the objections made to the Bill.

Hon. Mr. MCMULLEN.—I would suggest respectfully that some limit should be placed upon the time to be occupied by each, because we have nine gentlemen who desire to address the committee.

Hon. Mr. KERR.—We can put the limit when we find it necessary.

Mr. MEREDITH.—I would ask the committee to hear Mr. Watt now, but before he gives any explanations he has to offer, I should like to file a letter that was sent to me by Mr. Loines, who was examined here on a former occasion, and asked to supply you further information.

Hon. Mr. MITCHELL.—He is the insurance gentleman from New York ?

Mr. MEREDITH.—Yes, he wrote me as follows:—

Incorporated 1899.

Established 1845.

JOHNSON & HIGGINS,
Average Adjusters and Insurance Brokers,
Nos. 49 and 51, Wall St.

Represented by WILLIS FABER & Co., Ltd., London.
Cable address 'Keroden.'
Please address all communications to the company.

NEW YORK, April 13, 1908.

F. E. MEREDITH, Esq.,
Messrs. Campbell, Meredith, McPherson, Hague & Holden,
Montreal, Canada.

DEAR SIR,—As I recall the inquiries made of me by your senatorial committee, there were two questions as to which I promised to submit evidence as to the accuracy of my statements. These had reference, (1) to the completeness of the cover furnished shippers by underwriters on flour, as to recoveries, irrespective of the negligence clauses in the bills of lading; and (2) as to the result of my underwriting concern's experience in recoveries from steamships or their owners for cargo damage under the conditions of the so called 'Harter Act.'

I now enclose printed form, taken from our book of records, showing the terms of a flour policy recently taken out by us, as brokers, covering exports from both the United States and Canada. You will observe that although this policy includes the stipulations referred to by one of your honourable senators as to agreements with carriers exempting them from liability in case of negligence, &c., it nevertheless contains a covenant to make good to the assured such claims as cannot be collected from the carrier.

I further enclose an affidavit from Mr. D. F. Cox, Attorney of the United States Lloyds (the underwriting concern in which I stated myself and several of my partners were interested as underwriters) showing that examination of our records for three years past develop the fact that our recoveries from carriers of damage to cargo under the provisions of the Harter Act during that period amounted to less than one-eightieth of one per cent of the intaken premiums. Any further information desired I shall be happy to furnish.

Kindly send me a few copies of my testimony, when printed.

Yours very truly,
STEPHEN LOINES.

Enc.

My kindest regards and thanks for your very courteous and kind treatment of me during my recent visit to you.

Flour (All Risks) (No.)

ST. PAUL FIRE AND MARINE INSURANCE CO.

ST. PAUL, MINNESOTA.

.....on account of themselves or whom it may concern.
To cover all shipments by them on and after.....
In case of loss, to be paid to them or order, or if certificates have been issued to the holders of certificates, subject to the terms endorsed thereon.
Do make insurance and cause to be insured,
lost or not lost, at and from
and / or other points in Canada or the United States via an Atlantic or Gulf Port in the United States and / or Canada, to port or ports, place or places in any order or rotation in the United Kingdom and / or on the continent of Europe (excluding Mediterranean ports) and / or the United States via port or ports of call and / or

discharge and including dock or quay risks in transhipping at ports of shipment, transhipment and for seventy-two (72) hours after unloading at port of destination, including risk of craft to and from the ship or vessel, each craft to be considered as if separately insured.

Upon flour and / or mill products (excluding bran) per vessel or vessels, steamer or steamers including risk of transhipment and risk of inland conveyance to seaboard.

Beginning the adventure from the said goods and merchandise from and immediately following the loading thereof on board of cars and / or vessel, at the time of leaving mill as named in certificates as aforesaid and so shall continue and endure until the said goods and merchandise shall be safely landed at destination as aforesaid. And it shall and may be lawful for the said vessel, in her voyage, to proceed and sail to, touch and stay at any ports or places, if thereunto obliged by stress of weather or other unavoidable accident, without prejudice to this insurance. The said goods and merchandise hereby insured, are valued (premium included) at not exceeding gross invoice cost and ten per cent added unless otherwise agreed prior to shipment.

Touching the adventures and perils which the said assurers are contented to bear, and take upon themselves, in this voyage, they are of the seas, men-of-war, fires, enemies, pirates, rovers, thieves, jettisons, letters of mart and countermart, reprisals, takings at sea, arrests, restraints, and detainments of all kinds, princes, or people, of what nation, condition or quality soever, barratry of the Master of Marines, and all other perils, losses and misfortunes, that have or shall come to the hurt, detriment or damage of the said goods or merchandise or any part thereof. And in case of any loss or misfortune, it shall be lawful and necessary to and for the assured, his or their factors, servants or assigns, to sue, labour, and travel for, in and about the defence, safeguard and recovery of the said goods and merchandise, or any part thereof, without prejudice to this insurance; nor shall the acts of the insured or insurers, in recovering, saving and preserving the property insured, in case of disaster, be considered a waiver or an acceptance of an abandonment; to the charges thereof, the said assurers will contribute according to the rate and quantity of the sum herein insured; having been paid the consideration for this insurance, by the assured, or his or their assigns, at and after the rate of

And in case of loss, such loss to be paid in thirty days after proof of loss, and proof of interest in the property hereby insured (the amount of the premium, if unpaid, being first deducted). Provided always, and it is hereby further agreed, that if the said assured shall have made any other assurance upon the premises aforesaid, prior in day of date to this policy, then the said assurers shall be answerable only for so much as the amount of such prior assurance may be deficient towards fully covering the premises hereby assured; and the said assurers shall return the premium upon so much of the sum by them assured as they shall be, by such prior assurance, exonerated from. And in case of any insurance upon the said premises, subsequent in day of date to this policy, the said assurers shall nevertheless be answerable for the full extent of the sum by them subscribed hereto, without right to claim contribution from such subsequent assurers, and shall accordingly be entitled to claim the premium by them received, in the same manner as if no such subsequent assurance had been made. Other insurance upon the premises aforesaid, of date the same day as this policy, shall be deemed simultaneous herewith; and the said assurers shall not be liable for more than a rateable contribution in the proportion of the sum by them insured to the aggregate of such simultaneous insurance. It is also agreed, that the property be warranted by the assured free from any charge, damage or loss, which may arise in consequence of the seizure or detention, for or on account of any illicit or prohibited trade, or any trade in articles contraband of war; and warranted by the assured free from any liability for merchandise in the possession of any carrier or other bailee, who may be liable for any loss or damage thereto; and for merchandise shipped under a bill of lading containing a stipulation that the carrier may have the benefit of any insurance thereon; and that any assurance against fire granted herein, shall not cover

where the assured or any carrier or other bailee has fire insurance which would attach if this policy had not been issued.

In case any agreement be made or accepted by the assured with any carrier by which it is stipulated that such or any carrier shall have, in case of any loss for which he may be liable, the benefit of this insurance, or exemption in any manner from responsibility grounded on the fact of this insurance, then and in that event the insurers shall be discharged of any liability for such loss thereunder, but this policy in these and all cases of loss or damage by perils insured against shall be liable and owe actual payment for (only) what cannot be collected from carrier . . . but also shall be chargeable with the direct pecuniary consequence to the assured temporarily arising from collection fros said carrier . . . . and the advancing for this purpose only of funds to the assured for his protection, pending such delay shall in no case be considered as affecting the question of the final liability of this insurance, and as soon as collection is made from the carrier the title of the insured to hold the funds so advanced by the insurer shall discontinue, and a portion thereof equal to the sum collected from the carrier shall be repaid to the insurer; but in case of final failure to collect from carrier, a portion of the sums advanced by the insurers equal to the sum short collected from the carrier may be retained and applied in settlement of the actual liability of this insurance thereby established (provided always the loss shall constitute in other respects a claim under this insurance).

Warranted not to abandon in case of capture, seizure, or detention, until after condemnation of the property insured; nor until ninety days after notice of said condemnation is given to the assurers. Also warranted not to abandon in case of blockade and free from any expense in consequence of capture, seizure, detention or blockade, but in the event of blockade, to be at liberty to proceed to an open port and there end the voyage. All shipments insured hereunder are covered subject to the terms of the following clause :

This policy, to pay all claims for damage to flour and mill products, arising from all the hazards and dangers of transportation and without regard to amount, from the time of leaving the mills in the interior of America by any conveyance by land or water, until safely delivered at the port of destination, including risks of negligence excepted in bills of lading, including risks of transhipment, from the vessel or quays to the customary point of delivery of the steamship line at the port of destination, including risks on quay and for seventy-two (72) hours after unloading at port or place of delivery before referred to, including risk of craft to and from the ship or vessel.

In event of deviation or of change of voyage, held covered at a premium to be fixed by the insurers.

It is agreed that the assured shall not be prejudiced by the insertion in bills of lading of the following clauses :

'The act of God, perils of the sea, barratry of the master or crew, fire, enemies, pirates and thieves, arrest and restraints of princes, rulers and people, collisions, strandings, and other accidents of navigation excepted even when occasioned by negligence, default or error in judgment of the pilot, master, mariners or other servants of the ship owners. Ship not answerable for losses through explosion, bursting of boilers, breakage of shaft or any latent defect in machinery or hull, not resulting from want of due diligence by the owners of the ship, or any of them, or by the ship's husband or manager.'

This policy does not cover damage caused by weevils, insects, worms, grubs, or any inherent vice of the property. Cargo on deck free from claim for loss by wet, breakage, leakage or exposure.

Warranted by the assured free from claim on account of capture, seizure, detention or destruction, by or arising from hostile forces, or by the acts of officers or other persons acting in the name of belligerents, or in pursuing warlike operations whether before or after declaration of war.

The assured agrees to enter each shipment in a book provided for the purpose; to send full reports, semi-weekly, to the office of this company, at St. Paul, Minnesota . . . . and to pay the premium monthly to the assurers.

Assured to be held covered in special cases of inadvertent omission to mail advices as aforesaid, provided particulars shall be sent as soon as such omission is discovered and deficiency of premium made good.

In witness whereof, the undersigned on behalf of the said company, has hereunto set his hand at the city of St. Paul, this day of A.D., 190

Either party at liberty to cancel upon giving sixty days written notice to that effect, but without prejudice to any risk pending at the termination of that period.

The assurers not to be liable for more than $ by any one vessel at any one time, unless otherwise agreed upon at time of endorsement.

Proof of loss to be authenticated by the agent of the assurers, if there be one at the place such proofs are taken.

State of New York, }
County of New York. }
SS.

Douglas F. Cox, being duly sworn, deposes and says:

I am a member of the firm of Higgins & Cox, marine underwriters and attorneys for the United States Lloyds.

I have caused a careful examination to be made of the records of the United States Lloyds for the years 1905, 1906 and 1907, and I find that the total premiums received during those years amounted to $7,257,410.02. I further find that during the same three years the total recoveries under the 'Harter Act' made by the United States Lloyds against steamships or their owners, by reason of damage done to cargo during its carriage by such steamships, amounted to $861.18, or less than one-eightieth of one per cent.

DOUGLAS F. COX.

Signed and sworn to before me this 13th day of April, 1908.

E. S. Manee,
Notary Public No. 23,
New York County.

[L.S.]

Sir Mackenzie Bowell.—Does that refer to all classes of freight?

Mr. Meredith.—I fancy only to flour; I see that is a flour policy.

Mr. Watt, of the city of Montreal, a freight manager of the Allan Line.—I have been asked by my colleagues of the Shipping Federation to speak for them. There were some matters brought up at the last meeting embodied in this printed report of the proceedings of the committee, which I think Senators should understand as not being admitted by the steamship agents. First of all is the charge that we are negligent. This is a question which has been up over and over again, and these details have been put before the Shipping Federation, or the shipping agents, many times. That is scarcely correct. As regards the particular letter purporting to have been sent by the London Flour Trade Association, the document never reached us—never reached, I think, any of the Montreal lines, certainly did not reach the Allan Line, either here or in England. We sent copies of that document to England as soon as we received them; one was sent to us by the Department of Trade and Commerce, and another from a large flour exporting firm in Ontario, but we have had no communication direct from this organization at all.

Mr. Meredith.—You received this before the Bill was introduced?

Mr. WATT.—About the end of February the Department of Trade and Commerce and our Toronto customer sent us copies of that document, and that is the first we saw of it. We sent the copies to London and Glasgow, and we have information from London that they in London never heard of these complaints, and that this association had never approached the lines there. That is in contradistinction to the statement in the first paragraph of this letter, which appears on page 15 of No. 1, Proceedings of this committee, dated March 19 last. That statement is as follows:—

'This association has had several interviews and some correspondence with the Canadian Federation of Steamship Lines with reference to the bill of lading on which flour is shipped to London, and we understood in June last (1907) that the whole question was referred to Montreal, but up to to-day we have heard nothing.'

The only point I want to make is this, that the representatives of the ship owners had no opportunity to confer with the flour trade in London on this topic, and the first they heard of it was a communication from the Trade and Commerce Department and from one of our customers, the Western Canada Flour Mills, who were good enough to send us a copy.

The CHAIRMAN.—The gentlemen who addressed this committee from London, England, in January, 1908, said that the interviews and correspondence were with the Canadian Shipping Federation. You are only speaking for the Allan Line.

Mr. WATT.—Yes, but I am prepared to say for the Canadian Shipping Federation that they have had no correspondence or discussions whatever with these people.

Hon. Mr. LOUGHEED.—Is there a branch of this association in London?

Mr. WATT.—Our correspondents say they cannot find any such organization there.

The CHAIRMAN.—Then you say that the communication presented to this committee has never been before the Federation as a body, or any of the companies?

Mr. WATT.—No, except the copy from the Department of Trade and Commerce and another copy from a customer in Toronto.

The CHAIRMAN.—When?

Mr. WATT.—Last February or early in March. Seeing I am on this topic, I should like to draw attention to a paragraph at the end of this letter. They say:—

'It is suggested by my executive committee that if the steamship companies do not wish to issue new bills of lading that they enter into an agreement with my association by which these objectionable clauses may be considered null and void.'

I desire to say to the Senators that no such communication has been sent to the steamships. We have never had any approach made to us respecting objectionable clauses.

Hon. Mr. Ross (Middlesex).—Has no objection been made to your company respecting any clauses in your bill of lading?

Mr. WATT.—We had last yetar complaints apparently made by this London association, through the flour millers of Minneapolis, who sent to the Grand Trunk Railway Company and the Canadian Pacific Railway Company two or three objections somewhat similar to those made here.

Hon. Mr. Ross (Middlesex).—You are apologizing for not having any correspondence to show?

Mr. WATT.—No, my remark is that these Londoners promote and rush into legislation without having given the ships an opportunity of discussing the matter with them, and without having any prior arrangement.

Hon. Mr. KERR.—What they complain of is that you issue those bills of lading without communicating with them.

Mr. WATT.—That is our right.

Hon. Mr. Ross (Middlesex).—Then it is their right to ask for legislation. There is no need to take the time of the committee making these apologetic remarks. There is the bill of lading and there is the objection.

Mr. WATT.—I say, in the first place, we have had no opportunity of dealing with the subject.

Hon. Mr. Ross.—You have it now.

Mr. Watt.—We have, but in a very haphazard style.

Hon. Mr. Ross.—Some weeks have elapsed since this matter began.

Mr. Watt.—We have had an opportunity of dealing with the grain trade in London, not our line, but the New York lines, and special bills of lading are given to the grain trade to that port.

Hon. Mr. Lougheed.—From the port of New York?

Mr. Watt.—From all over.

Hon. Mr. Lougheed.—Shipments from New York would go under the Harter Act?

Mr. Watt.—Yes, but London gets grain from the Argentine and other countries as well.

Hon. Mr. Lougheed.—But you are referring to the port of New York?

Mr. Watt.—I refer to New York, because they are parties to this special arrangement.

Hon. Mr. Lougheed.—But they are already protected by the Harter Act.

Mr. Watt.—The grain men said that the conditions which were adopted were necessary in shipping to the port of London. Whether they were necessary to the others was not stated. The Canadian grain is shipped under the ordinary bill of lading.

Hon. Mr. Ross (Middlesex).—Is a bill of lading for grain different from a bill of lading for flour?

Mr. Watt.—No, our effort has been to have one form of bill of lading for every class of traffic, no matter where it originates or where it is shipped from, so that all freight is subject to the same law and the same conditions. The millers seemed to have been after the steamships with a sharp stick, so it would look—reading this evidence over—as if the millers were trying to get even with the steamships. That is they are seeking legislation of a punitive character. Not one of the gentlemen who came here said that he had suffered a hundred dollars of loss through our bill of lading: they simply said how ridiculous the clauses were, but it must be remembered that these bills of lading have grown as other things have grown. One strong point made against some of the ships, and especially the Allan Line, was, that we were subsidized, and being subsidized, we were acting in a very high-handed way in not meeting the views of the shippers in many respects, and that we were paid for this purpose. I want to say simply that for any subsidies we receive we are under contract. The conditions are very onerous. Complaints are made against the lengthy conditions of our bill of lading, but if you will read contracts with the government, you will find that these are twice as long and twice as onerous. I think I have stated enough on the question of subsidies. If the contracts are read over, the committee will agree that the steamships give full value for any money they get, and have always done so. Another complaint was that we were carrying traffic from United States points on better terms than from Canadian points. That is not germane to this Bill—which does not deal with that subject. The complaint was that the Montreal lines were carrying traffic from United States points to England on better terms and at lower rates of freight than from Canadian points. That is pure hallucination.

Hon. Mr. Campbell.—There is a difference of two cents on the barrel.

Mr. Watt.—I will reach that point in a moment. So far as United States traffic is concerned, we carry it from Montreal and from Portland and from St. John and Halifax on precisely the same form of bill of lading. We have only one bill of lading for through traffic; the bills are not issued by the steamship but by the carrying railway, principally so far as we are concerned by the Grand Trunk Railway, because the Canadian Pacific Railway has its own stemship connection. With regrd to most of my colleagues here in the shipping federation, they have more influence over the Grand Trunk Railway than they have over the Canadian Pacific Railway as regards the terms of bills of lading. I have here the form of the bill of lading on which we carry freight by all routes whether by Montreal, St. John, Halifax, or Portland.

Hon. Mr. Campbell.—Who issues the bill of lading?

Mr. WATT.—This is issued by authority of the steamship and usually by a local agent of the railway company. The Grand Trunk Railway sign this bill of lading, and one set of conditions applies to the steamer and the other to the railway. So far as the steamers are concerned, they are governed by the conditions which apply to the ocean carriage.

Hon. Mr. CAMPBELL.—You produce the bill of lading?

Mr. WATT.—Yes.

THROUGH BILL OF LADING.

GRAND TRUNK RAILWAY SYSTEM

AND

. . . . . .

(Line of British Steamships).

OFFICERS:—

Chas. M. Hayes, Second Vice-President and General Manager; Jno. W. Loud, Freight Traffic Manager; John Pullen, Assistant Freight Traffic Manager; J. E. Dalrymple, General Freight Agent; C. E. Dewey, Assistant General Freight Agent, Montreal, Que.; C. A. Hayes, Assistant General Freight Agent, Chicago, Ill.; Chas. Clarke, Division Freight Agent, Detroit, Mich.; Ira. W. Grant, Division Freight Agent, Toledo, O.; G. T. Pettigrew, Division Freight Agent, Stratford, Ont.; R. W. Long, Division Freight Agent, Hamilton, Ont.; L. Macdonald, Division Freight Agent, Toronto, Ont.; E. R. Bremner, Division Freight Agent, Ottawa, Ont.; Frank J. Watson, Division Freight Agent, Montreal, Que.; G. L. Nelson, Division Freight Agent, Portland, Me.; Fred. R. Porter, Asst. Freight Agent, Toronto, Ont.

A. F. Read, Foreign Freight Agent, Board of Trade Building, Montreal, Que.

From to via

Dated at this day of 190

Shipped, in apparently good order, by

the following goods or property, said to be marked or numbered as below (weight, measure, gauge, quality, condition, quantity, brand, contents and value unknown, weight or measure is subject to correction whether freight be prepaid or otherwise.

Through rate charges, $ Gold per Gross Weight (Said to be) lbs. Advanced

MARKS AND NUMBERS.	QUANTITY AND DESCRIPTION OF GOODS OR PROPERTY.

To be delivered in like order and condition at the Port of or so near thereto as the ship may safely get (with liberty to make deviation and to call at any port or places) unto or his or their assigns, upon payment in cash of freight due thereon, immediately on discharge of the goods or property, at the rate of cents, Canadian currency, per 100 lbs. gross weight (inland freight charges to be paid on minimum weight lbs. or actual weight if greater), and advanced charges with all charges (general average to be adjusted according to the York-Antwerp rules of 1890), without any allowance for credit or discount, one pound sterling being considered equal to four dollars and eighty cents ($4.80) Canadian currency under the following terms and conditions, viz.:—

I.—With respect to the service until delivery at the port of Montreal or Portland, as the case may be, it is agreed:—

1. That said Grand Trunk Railway and all or any of its connections which receive said property, shall not be liable for breakage of packages or eggs, or for rust of iron and of iron articles, or for loss by leakage of liquids or leakage of any kind, or for damage to any goods by accident of any kind, or for loss or damage by wet, dirt, fire or loss of weight, or for condition of baling on hay, hemp or cotton; nor for loss or damage of any kind on any article whose bulk requires it to be carried in open cars; nor for damage to perishable property of any kind, occasioned by delays from any cause, or change of weather; nor for heating, shrinkage, shortage or loss of weight on grain, pulse or seeds carried in bulk or in bags; nor for loss or damage of any articles or property whatever, by fire, frost or other casualty, while in transit or while in depots of other places of transhipment, or at depots or landings at all points of delivery; nor for loss or damage by fire, collision, or the dangers of navigation while on the seas, rivers, lakes, canals, harbours or other waters. All goods or property under this bill of lading will be subject at its owner's cost to necessary cooperage or baling, and is to be transported to the depots of the companies, or landings of the steamboats or forwarding lines, at the points receipted to for delivery.

2. It is further agreed that the said Grand Trunk Railway and all or any of its connections, shall not be held accountable for any damage to or deficiency in packages of goods or property, after the same shall have been receipted for in good order by consignees or their or his agent at destination, and the Grand Trunk Railway shall not be responsible for any injury or damage sustained by said goods or property the same, in the course of conveyance, have passed from their custody, or beyond their railway. Consignees are to pay freight and charges upon the goods or property in lots or parts of lots as they may be delivered to them.

3. It is further stipulated and agreed, that in case of any loss, detriment or damage, done to or sustained by any of the goods or property herein receipted for during such transportation, or in case of misdelivery, whereby any legal liability or responsibility shall or may be incurred, that company alone shall be held answerable therefor, in whose actual custody the same may be at the time of the happening of such loss, detriment or damage, and the carrier so liable shall have the full benefit of any insurance that may have been effected upon or on account of said goods or property, also in the case of goods or property short delivered to the steamship company, the railway company, if liable, shall only pay therefor, the value at the original point of shipment, on the date of shipment.

4. And it is further agreed that the carriers shall not be liable for any discrepancy between the contents of the packages and the description of the same in the bills of lading.

5. And it is further agreed, that from and after the arrival of said goods or property at the ocean port, and while said goods or property remain on the wharf or wharves, or in the cars waiting to be unloaded, or while in warehouses, elevator or elevators waiting further conveyance, the Grand Trunk Railway shall not, nor shall its connections—inland or ocean—be liable for delay, or for the loss of or damage thereto by fire, flood or frost so long as the Grand Trunk Railway Company are ready to deliver to the next connecting carrier, and have given such connecting carrier notice that they are so ready, nor shall they or their connections in any case while the goods or property are so waiting be liable in respect of said goods or property otherwise than as warehousemen. It is also agreed, that in case the whole or any part of the goods or property specified herein be prevented from any cause from going on the first steamer of the line above stated, leaving after the arrival of such goods or property in said port, the Grand Trunk Railway Company or its connections shall be at liberty to forward the same by succeeding steamers of the said line, or, if deemed necessary by them, in the steamers of any other line, or in the steamers of said line or of any other line from any other ocean port.

6. And it is also specially agreed that the inland freight charges on the above mentioned goods or property shall become due on its arrival at, and delivery to the steamship or steamship line's wharf, and thereafter be a prior lien on the goods or property, and when advanced by the agents of the steamer shall remain a prior lien on all or any part of the said goods or property. Also, that the inland freight, and charges on wheat, pease, maize or other grain or seed in bulk, from point of shipment to seaboard, shall be paid by consignee at destination, on the weight delivered on board the ocean steamers, as per steamer's manifest, and in no case shall the Grand Trunk Railway Company or its inland connections be responsible for any deficiency in weight or measure of any grain or seed so shipped in bulk.

7. And it is further agreed that this contract on the part of the Grand Trunk Railway is accomplished and the liability of the Grand Trunk Railway hereunder terminates on the delivery of the goods or property to the steamship or steamship line, her or its agents or servants, or on the steamship piers at the port of ocean shipment.

8. And it is further agreed that the shipper must insure all insurable property, and in case of any loss for which the Grand Trunk Railway Company or its connections are liable, the company or carrier so liable shall be entitled to the benefit of such insurance in estimating the damages to be paid by such carrier, and the insurer shall not be subrogated to any rights against such carrier.

II.—With respect to the service after the delivery at the port of Montreal or Portland, as the case may be:—

It is further mutually agreed that the ocean carrier has liberty to make deviation; to sail without pilots; to tow and assist vessels in distress, to convey goods or property in craft to and from the ship at the risk of the owner of the goods or property; and in case the ship shall put into a port of refuge or be prevented from any cause from commencing or from proceeding in the ordinary course of her voyage to ship or tranship the goods or property to their destination by any other ship.

It is also mutually agreed that the carrier shall not be liable for loss or damage occasioned by causes beyond his control; by the perils of the sea or other waters; by fire from any cause and wheresoever occurring; by barratry of the master or crew; by enemies, pirates or robbers; by arrest or restraint of princes, rulers or peoples; by riots, strikes or stoppage of labour; by explosion, bursting of boilers, breakage of shafts, or any latent defect in hull, machinery or appurtenances, or unseaworthiness of the ship, even existing at the time of shipment or sailing on the voyage, provided the owners have exercised due diligence to make the vessel seaworthy; or by collisions, stranding, jettison or other incidents of navigation of whatsoever kind (even when occasioned by the negligence, default or error in judgment of the pilot, master, mariners, or other servants of the shipowner, not resulting, however, in any case from want of due diligence by the owners of the ship or any of them, or by the ship's husband or manager); nor for loss or damage occasioned by frost, heating, decay, putrefaction, rust, sweat, change of character, drainage, leakage, breakage, or arising from the nature of the goods or the insufficiency of packages; nor for inland damages; nor for the illegality, obliteration, errors, insufficiency, or absence of marks or numbers, addresses or description; nor for risk of craft, hulk or transhipment; nor for any loss or damage caused by the prolongation of the voyage.

1. It is mutually agreed that the carrier shall not be liable for gold, silver, bullion, specie, documents, jewellery, pictures, embroideries, perfumeries, works of art, silks, furs, china, glass, porcelain, watches or clocks, in any respect; nor for goods of any description whatever above the value of $5 per cubic foot; and in no case is the carrier to be liable for goods the value of which is beyond $50 per package, unless bills of lading are signed therefor, with the value therein expressed, and a special agreement is made.

2. Also, that shippers shall be liable for any loss or damage to ship or cargo, caused by inflammable, explosive or dangerous goods, shipped with full disclosure of their nature, whether such shipper be principal or agent; and such goods may be thrown overboard or destroyed at any time without compensation.

3. Also that the carrier shall have a lien on and right of sale over the goods for all freights, primage and charges, and also for fines, or damages which the ship or cargo may incur or suffer by reason of any illegal, incorrect or insufficient marking, numbering or addressing of packages, or description of their contents, and also for the expense of exercising such lien. Also, that if on sale of the goods at destination for freights, liens and charges, the proceeds fail to cover such freights, liens and charges, the carrier shall be entitled to recover the difference from the shipper.

4. Also, that in case the ship shall be prevented from reaching her destination by quarantine, the carrier may discharge the goods into any depot or lazaretto, and such discharge shall be deemed a final delivery under this contract, and all the expenses thereby incurred on the goods shall be a lien thereon.

5. Also that the ship may commence discharge immediately on arrival, and discharge continuously, the collector of the port being hereby authorized to grant a general order for discharge immediately on arrival, and upon discharge the goods shall be at the risk of the consignee, or owners thereof, and if not taken by him within such time as is provided by the regulations of the port of discharge, they may be stored by the carrier at the expense and risk of their owner. Porterage of the delivery of the cargo, at their option, to be done by consignees of the ship at their tariff rates, at the expense and risk of the receivers of the goods. Tonnage and shed dues payable by the receivers of the goods.

6. Also, that full freight is payable on damaged or unsound goods, but no freight is due on any increase in bulk or weight caused by the absorption of water during the voyage.

7. Also, that in the event of claims for short delivery when the ship reaches her destination the compensation payable by the steamship company, if liable, shall be the market price at the port of destination on the day of the ship's entry at the custom house, less all charges saved, except a lower value of the goods has been agreed upon with the shipper and noted herein.

8. Also, that when the goods are destined for a continental port, and in event of the continental vessel being prevented by ice from reaching destined port, the master reserves the liberty of either landing cargo at nearest open port he can reach with safety, or bringing it back to port of transhipment, in either case at owner's risk and expense, but charging outward freight only; or, should the last vessel of the season have sailed for the above destined port, the goods may be sent to the port nearest to their destination with which there is direct communication, or they may be warehoused at the intermediate port at the expense and risk of the owners of the goods. Goods destined to ports or places other than the ship's port of discharge are to be forwarded from thence at the risk of their owners and subject exclusively to the conditions of the carriers who complete the transit.

9. Freight payable by weight or measurement is due and payable on the gross weight or calliper measure landed from the ship unless otherwise agreed, as in the case of the inland freight on grain and seeds in bulk per clause VI. Parcels for different consignees collected or made up in single packages addressed to one consignee to pay full freight on each parcel.

10. The property covered by this bill of lading is subject to all the conditions expressed on the local bills of lading used by the steamship or steamship companies carrying this property at place and time of ocean shipment.

11. This contract shall be governed, so far as regards the responsibility of the trans-oceanic steamer and her owners, by the law of England with reference to which law this part of the contract is made.

And finally, in accepting this bill of lading, the shipper, owner and consignee of the goods or property and the holder of the bill of lading agree to be bound by all of its stipulations, exceptions and conditions, whether written or printed, and fully as if they were all signed by such shipper, owner, consignee or holder.

In witness whereof, the agent signing on behalf of the said rail carriers and of the said steamer or steamship company, severally and not jointly, hath affirmed to two bills

of lading, all of this tenor and date, one of which bills being accomplished, the other to stand void.

Agent.

London clauses (A).—The shipowners shall, at their option, be entitled to land the goods within mentioned on the quays or to discharge them into craft hired by them, immediately on arrival, and at consignee's risk and expense, the shipowner being entitled to collect the same charges on goods entered for landing at the docks as on goods entered for delivery to lighters. Consignees desirous of conveying their goods elsewhere shall, on making application to the ship's agents, or to the dock company within 72 hours after steamer shall have been reported, be entitled to delivery into consignee's lighters at the following rates, to be paid with the freight to the ship's agents against release, or to the dock company, if so directed by the ship's agents, viz.: Following woollen goods in packages, clothes pegs, spade handles, blind rollers, hubs, spokes, wheels and oars, 1s. 3d. per ton measurement; hops, 2s. 9d. per ton weight; lumber and logs, 2s. per ton measurement, or 2s. 6d. per ton weight, at ship's option. All other general cargo, except slates, 1s. 9d. per ton, weight or measurement at ship's option; minimum charge one ton. Slates to pay 2s. per ton weight. Cheese may also be removed by consignee's vans within one week after ship shall have reported, subject to a like payment of 3s 3d. per ton weight, such sum to include loading up and wharfage. Any single article weighing over one ton to be subject to extra expense for handling if incurred. All measurement freight to be on the intake calliper measurement, as stated in margin. Freights by weight (grain excepted) to be paid upon the weight stated on margin or at ship's option upon landing weight. If weight has been understated, the cost of weighing to be a charge upon the goods. All shipments of lumber and logs which are sent forward on a weight rate will pay freight on the railway weights furnished at port of shipment. No alteration will be permitted in any weight or freights included in this bill of lading except at ship's option.

(B).—Grain for overside delivery is to be applied for within 24 hours of ship's docking, or thereafter immediately it becomes clear. In the absence of sufficient consignee's craft with responsible persons in charge to receive as fast as ship can discharge overside into lighters during dock working hours, the master or agent may land or discharge into lighters at the risk and expense of the consignee. The shipowner may land or discharge continuously day and (or) night, any grain landed or discharged for ship's convenience during usual dock hours, consignee's craft being duly in attendance, and any grain that may be landed or discharged before or after usual dock hours (whether craft are then in attendance or not) is to be given up free to consignee's craft applying for same within 72 hours from its landing or discharge, otherwise it will be subject to the usual dock charges. An extra freight of 7d. per ton shall be paid to the shipowner on each consignment of grain whether any portion be landed or not. The grain to be weighed at time of discharge, either on deck and (or quay and) or craft at ship's option. Working out charges (including weighing) for grain in bulk and (or ship's bags) to be paid by the consignee with the freight to the ship's agents or to the dock company, if so directed by the ship's agent, in exchange for release, at the rate of 1s. 9d. per ton on wheat, maize and heavy grain, 1s. 11d. per ton on barley, and 2s. per ton on oats.

(C).—Hay, illuminating and lubricating oil clause.—Consignees to have craft in attendance immediately on ship's docking to take delivery from ship or quay, at shipowner's option, working continuously day and (or) night, paying in any case 1s. 3d. per ton weight, or otherwise the goods will be put into captain's entry craft at consignee's risk and expense.

Craft which are in attendance for delivery under above clauses and stipulations shall wait free of demurrage their regular turn to receive goods or grain as required by shipowners, either from steamer or quay or captain's entry craft.

These London clauses A, B and C are to form part of this bill of lading, and any words at variance with them are hereby cancelled.

The shipowners shall have the same liens, rights and remedies on goods and grain, referred to in the above clauses or under any other clauses of this bill of lading, as they have by law in respect of freight.

The exceptions and conditions enumerated in this bill of lading shall apply during the voyage, and while on the quays and sheds of the dock, for any purpose whatsoever, and until the goods and (or) grain are actually delivered to the consignee or their agents.

Neither party shall be liable for any interference with the performance of the contract herein contained, which is caused by strikes, or lock-out of seamen, lightermen, or shore-labourers, whether partial or otherwise, nor for any consequences of such strikes or lock-out, but in such case the shipowner shall be entitled to land or put into craft at risk and expense of consignee. In case the grain shipped under this bill of lading forms part of a larger bulk, each bill of lading to bear its proportion of shortage and damage, if any.

Hon. Mr. CAMPBELL.—That bill of lading you have filed is the bill of lading issued by the Grand Trunk railway or the Canadian Pacific railway at the point of shipment.

Mr. WATT.—Yes.

Hon. Mr. CAMPBELL.—When those bills go to Montreal you issue ocean bills of lading ?

Mr. WATT.—No. There is no ocean bill of lading issued. If we did that we would issue two bills of lading for one shipment.

Hon. Mr. CAMPBELL.—What has the Grand Trunk railway or the Canadian Pacific railway from you ?

Mr. WATT.—They get a receipt pertaining to the particular bill of lading.

Hon. Mr. CAMPBELL.—Then it is carried on the conditions of your bill of lading ?

Mr. WATT.—Our usual bill of lading. There are two clauses in that bill of lading. The first clause is that the local conditions govern the shipment, and the other is that suits and reclamations against that bill of lading shall be taken in England. There are two very good reasons for these conditions. The first is that we receive not merely traffic from Canada, but from all parts of the United States and from beyond the United States to the Orient. We receive also from the West Indies and Mexico and from all places where Canada has subsidized steamers. They bring it to Montreal, St. John, or Halifax, and we carry it forward. We do not issue a new bill of lading to them unless their bill of lading is very objectionable. If it is very objectionable, we require the carrier to take out a local bill; if not we accept the bill, but we put in it a clause that the local bill governs. That is one of the points I made before, that the hull of the ship and all her cargo shall be under one system of law and shall be dealt with in England and settled there.

Hon. Mr. LOUGHEED.—That applies to United States as well as Canadian ports ?

Mr. WATT.—It applies to all ports we carry goods from.

Hon. Mr. LOUGHEED.—It could not be the one contract. There is incorporated in the bill of lading issued in the United States whatever provisions there may be in the Harter Act.

Mr. WATT.—You will not find it in the Canadian bill of lading.

Hon. Mr. LOUGHEED.—But it is regulated and governed by that Act.

Mr. WATT.—We are not so sure of that.

Hon. Mr. LOUGHEED.—Have you any doubt about it ?

Mr. WATT.—I have.

Hon. Mr. LOUGHEED.—I should like to have that point discussed.

Mr. WATT.—We take traffic from Chicago in large quantities and issue this bill of lading. We have only one bill of lading on traffic out of Canada and one bill of lading on traffic out of the United States. The only difference in these documents is that there is a reference to the Harter Act in bill of lading on traffic from the United States, while in our own document there is none. I am speaking as a layman and anything I say is, as the judges remark, *obiter dictum*, not binding on anybody, not

even on myself. We cannot get traffic in Chicago to carry by the St. Lawrence unless we quote from the Harter Act, but we do not admit that the Harter Act governs that traffic from Montreal to Europe. There is no doubt it governs the traffic until the Canadian frontier is reached, but we are in hopes that the Harter Act will not apply to traffic that we carry from Montreal to Europe.

Hon. Mr. LOUGHEED.—Has the point ever been tested ?

Mr. WATT.—No.

Hon. Mr. LOUGHEED.—Has it ever been raised ?

Mr. WATT.—Apparently our goods have been delivered in such good condition and so satisfactorily that nobody has claims against us for our laches in that respect. The United States bill of lading is as follows:

D. T. Lawrence, manager, Boston, Mass.
H. E. Graves, general western agent, Chicago, Ill.
Jas. I. Deans, agent, Milwaukee, Wis.
Allan Wallace, agent, Omaha, Neb.
C. E. Wagner, agent, Detroit, Mich.
Geo. Pepall, Canadian agent, Toronto, Ont.
A. F. Read, foreign freight agent.
G.T.R. System, Montreal, Que.
T. C. Nurgess, Com'l. Agt., G.T.R. System, Minneapolis, Minn
C. A. Gormaly, Com'l Agt. G.T.R. System, St. Louis, Mo.
Horace Seeley, Com'l Agt., G.T.R. System, Cincinnati, Ohio.
E. F. Flinn, Com'l Agt, G.T.R. System, Cincinnati, Ohio.

For use via Montreal, Que. or Portland, Me., only.

Form 315. 20,000—2—15—'08.

NATIONAL DESPATCH—GREAT EASTERN LINE.

In connection with other carriers on the route.

Export Bill of Lading No.. .. ..Lot No.. .. ..Contract No.. .. ..

Received at.. .. ..from.. .. ..the following property, in apparent good order, except as noted (contents and conditions of contents of packages unknown) marked, consigned and destined as indicated below:—

CONSIGNEE AND DESTINATION.	MARKS AND NUMBERS.	ARTICLES.
Party to be notified.		From interior U.S. points to all seaboard ports. Weight (subject to correction.)

To be carried to the port (A) of.. .. ..and thence by.. .. ..to the port (B) of.....(or so near thereto as ship may safely get, with liability to call at any usual port of call, and to be there delivered as above consigned, or to another carrier on the route to destination if consigned beyond said port (B), upon payment immediately on discharge of the property, of the freight thereon, at the rate from....to.... of....cents, United States gold currency, per hundred pounds gross weight and advanced charges..... $.....), with all other charges and average, without any allowance of credit or discount; one pound sterling to be considered equal to $4.80 United States gold currency, except that when ocean freight is pre-paid, $4.86 United

States gold is equivalent to one pound sterling. Settlement, if in currency other than sterling, to be at current rates of valuation.

In consideration of the rate of freight herein named, it is hereby stipulated that the service to be performed hereunder shall be subject to the conditions, whether printed or written, herein contained, and said conditions are hereby agreed to by the shipper and by him accepted for himself and his assigns as just and reasonable.

CONDITIONS.

I. With respect to the service until delivery at the port (A) first above mentioned it is agreed that:—

1. No carrier or party in possession of all or any of the property herein described shall be liable for any loss thereof or damage thereto by causes beyond its control; or by floods or by fire; or by quarantine; or by riots, strikes or stoppage of labour; or by leakage, breakage, chafing, loss in weight, changes in weather, heat, frost, wet or decay; or from any cause if it be necessary or is usual to carry such property upon open cars.

2. No carrier is bound to carry said property by any particular train or vessel, or in time for any particular market, or otherwise than with as reasonable despatch as its general business will permit. Every carrier shall have the right, in case of necessity, to forward said property by any railroad or route between the said point of shipment and the point to which the rate is given.

3. No carrier shall be liable for loss or damage not occurring on its own road or its portion of the through route, nor after said property is ready for delivery to the next carrier or to consignee. The amount of any loss or damage for which any carrier becomes liable shall be computed at the value of the property at the place and time of shipment under this bill of lading, unless a lower value has been agreed upon or is determined by the classification upon which the rate is based, in either of which events such lower value shall be the maximum price to govern such computation. Claims for loss or damage must be made in writing to the agent at point of delivery promptly after the arrival of the property, and if delayed for more than thirty days after the delivery of the property, or after due time for the delivery thereof, no carrier hereunder shall be liable in any event.

4. All property shall be subject to necessary cooperage and baling at owner's cost. Each carrier over whose route cotton is to be carried hereunder shall have the privilege, at his own cost, of compressing the same for greater convenience in handling and forwarding and shall not be held responsible for deviation or unavoidable delays in procuring such compression. No carrier shall be liable for difference in weights or for shrinkage of any grain or seed carried in bulk.

5. Property not removed by the person or party entitled to receive it within twenty-four hours after its arrival at destination may be kept in the car, depot or place of delivery of the carrier at the sole risk of the owner of said property and there held subject to lien for all freight and other charges. Property taken from a station at which there is no regular appointed agent shall be entirely at risk of owner until loaded into cars; and when received from private or other sidings, shall be at owner's risk until the cars are attached to trains.

6. No carrier hereunder will carry, or be liable in any way for, any documents, specie, or for any article of extraordinary value not specifically rated in the published classifications, unless a special agreement to do so, and a stipulated value of the articles are endorsed hereon.

7. Every party, whether principal or agent, shipping inflammable explosive or dangerous goods, without previous full written disclosure to the carrier of their nature, shall be liable for all loss or damage caused thereby, and such goods may be warehoused at owner's risk and expense or destroyed without compensation.

8. Any alteration, addition or erasure in this bill of lading which shall be made

without the special notation hereon of the agent of the carrier issuing this bill of lading, shall be void.

9. If upon inspection it is ascertained that the articles shipped are not those described in this bill of lading, the freight charges must be paid upon the articles actually shipped, and at the rates and under the rules provided for by published classifications.

10. When all or any part of said property is carried by water over any part of said route, such water-carriage shall be performed subject to the further conditions, that no carrier or party shall be liable for any loss or damage resulting from the perils of the rivers, lakes, sea or other waters; or from explosion, bursting of boilers, breakage of shafts, or any latent defects in hull, machinery or appurtenances; or from collision, stranding or other incidents of navigation; or from the prolongation of the voyage. And any vessel carrying any or all of the property herein described shall have liberty to make deviation and to call at any ports or places; to tow and be towed; to assist vessels in distress, and to deviate for the purpose of saving life or property.

11. No carrier shall be liable for delay, nor in any other respect than as warehousemen, while the said property awaits further conveyance, and in case the whole or any part of the property specified herein be prevented by any cause from going from said port in the first steamer of the ocean line above stated leaving after the arrival of such property at said port, the carrier hereunder then in possession is at liberty to forward said property by succeeding steamer of said line, or, if deemed necessary, by any other steamer.

12. This contract is executed and accomplished, and all liability hereunder terminates, on the delivery of the said property to the steamship, her master, agent or servants, or to the steamship company, or on the steamship pier at the said port, and the inland freight charges shall be a first lien, due and payable by the steamship company.

ATTENTION OF SHIPPERS IS CALLED TO THE ACT OF CONGRESS OF 1851.

Any person or persons shipping oil of vitriol, unslaked lime, inflammable matches or gunpowder, in a ship or vessel taking cargo for divers persons on freight, without delivering AT THE TIME OF SHIPMENT a note in writing, expressing the nature and character of such merchandise, to the master, mate, or officer or person in charge of the loading of the ship or vessel, shall forfeit to the UNITED STATES ONE THOUSAND DOLLARS.

II. With respect to the service after delivery at the port (A) first above-mentioned and until delivery at the port (B) second above-mentioned, it is agreed that:—

1. The ship shall have libertty to sail with or without pilots; that the carrier shall have liberty to convey goods in lighters to and from the ship at the risk of the owners of the goods; and, in case the ship shall put into a port of refuge, or be prevented from any cause from proceeding in the ordinary course of her voyage, to tranship the goods to their destination by any other steamship; that the carrier shall not be liable for loss or damage occasioned by fire from any cause or wheresoever occurring; by barratry of the master or crew; by robbers; by arrest and restraint of princes, rulers or people, riots, strikes, or stoppage of labour; by explosion, bursting of boilers, beakage of shafts, or any latent defects in hull, machinery or appurtenances, or unseaworthiness of the ship, even existing at time of shipment or sailing on the voyage, provided the owners have exercised due diligence to make the vessel seaworthy; by frost, heating, decay, putrefaction, rust, sweat, change of character, drainage, leakage, breakage, of any loss or damage arising from the nature of the goods or the insufficiency of packages; nor for inland damage, nor for the obliteration, errors, insufficiency or absence of marks, numbers, address or description; nor for risk of craft, hulk, or transhipment; nor for any loss or damage caused by the prolongation of the voyage, and, that the carrier shall not be concluded as to correctness of statements herein of weight, quality, contents and value. General average payable according to York-Antwerp Rules, 1890.

2. That this shipment until delivery at the port (*b*), second above-mentioned is subject to all the terms and provisions of, and all the exemptions from liability contained in, the Act of Congress of the United States, approved on the 13th day of February, 1893.

3. That the carrier shall not be liable for articles comprised in section 4281 of the Revised Statutes of the United States, nor for any package exceeding the sum of $100 in value, unless notice of true character and value thereof is given and same is entered in the bill of lading.

4. That the shippers shall be liable for any loss or damage to ship or cargo caused by inflammable, explosive or dangerous goods, shipped without full disclosure of their nature, whether such shipper be principal or agent; and such goods may be thrown overboard or destroyed at any time without compensation.

5. That the carrier shall have a lien on and right of sale over the goods for all freights, primages and charges, and also for all fines or damages which the ship or cargo may incur or suffer by reason of the illegal, incorrect or insufficient marking, numbering or addressing of packages or description of their contents.

6. That in case the ship shall be prevented from reaching her destination by quarantine, the carrier may discharge the goods into any depot or lazaretto, and such discharge shall be deemed a final delivery under this contract, and all the expenses thereby incurred on the goods shall be a lien thereon.

7. That the ship may commence discharge immediately on arrival, and discharge continuously, the collector of the port being hereby authorized to grant a general order for discharge immediately on arrival, and if the goods be not taken by the consignee within such time as is provided by the regulations of the port of discharge, they may be stored by the carrier at the expense and risk of their owners.

8. That full freight is payable on damaged or unsound goods; but no freight is due on any increase in bulk or weight caused by the absorption of water during the voyage.

9. That if on a sale of the goods at destination for freight and charges, the proceeds fail to cover said freight and charges, the carrier shall be entitled to recover the difference from the shipper.

10. That in the event of claims for short delivery when the ship reaches her destination, the price shall be the market price at the port of destination on the day of the ship's entry at the custom house, less all charges saved.

11. That merchandise on wharf awaiting shipment or delivery be at shipper's risk of loss or damage by fire or flood, not happening through the fault or negligence of the owner, master, agent or manager of the vessel.

12. That this bill of lading, duly endorsed be given up to the ship's consignee in exchange for delivery order.

13. That the freight pre-paid will not be returned, goods lost or not lost.

14. That parcels for different consignees, collected or made up in single packages, addressed to one consignee, pay full freight on each parcel.

15. That freight payable on weight or measurement is to be paid on gross weight or measurement landed from ocean steamship, unless otherwise agreed to or herein otherwise provided, or, unless the carrier elects to take the freight on the bill of lading weight.

16. It is stipulated that in case the whole or any part of the articles specified herein be prevented by any cause from going in the first steamship leaving after the arrival of such articles at said port, the carrier is only bound to forward them by succeeding steamships employed in this line, or if deemed necessary by said carrier he may forward them in other steamships.

17. That the property covered by this bill of lading is subject to all conditions expressed in the regular forms of bills of lading in use by the steamship company at time of shipment, and to all local rules and regulations at ports of loading and destination not expressly provided for by the clause as herein.

18 That if the goods are destined beyond the port (*b*) second above mentioned,

the transhipment to connecting carrier shall be at the risk of the owner of the goods but at ship's expense, and that all liability of the steamship company hereunder terminates on due delivery to connecting carrier.

III.—With respect to the service after delivery at the port (*b*) second above mentioned, and until delivery at ultimate destination, if destined beyond that port, it is agreed that :

1. The property shall be subject exclusively to all the conditions of the carrier or carriers, completing the transit; the duty of notification above provided for shall fall exclusively within the obligation of the carrier completing the transit, and no prior carrier shall be responsible for the fulfilment of that obligation.

And finally, in accepting this bill of lading, the shipper, owner and consignee of the goods, and the holder of the bill of lading, agree to be bound by all of its stipulations, exceptions and conditions, whether written or printed, as fully as if they were all signed by such shipper, owner, consignee or holder.

ATTENTION OF SHIPPERS IS CALLED TO THE ACT OF CONGRESS OF 1851.

'Any person or persons shipping oil of vitriol, unslaked lime, inflammable matches or gunpowder, in a ship or vessel taking cargo for divers persons on freight, without delivering at the time of shipment a note in writing, expressing the nature and character of such merchandise, to the master, mate, or officer or person in charge of the loading of the ship or vessel, shall forfeit to the *United States One Thousand Dollars.*'

In witness whereof, the agent signing on behalf of the said National Despatch Great Eastern Line, and of the said Ocean Steamship Company, or Ocean Steamer and her owner, severally and not jointly hath affirmed to.....bills of lading all of this tenor and date, one of which bills being accomplished the others to stand void.

Dated at.....Chicago.....this....day of.....190

.....Agent.

On behalf of carriers severally but not jointly.

To be used exclusively by the agents at the seaboard and not by the maker of the Bill of Lading.

Bill of Lading.....Lot No.....Contract No.....

.....190

Through rate.. .. .. £.....

Ship's proportion.. .. .. £.....

Inland proportion.. .. .. £.....

Advance charges.. .. ..

_____ .....

_____

Total.. .. .. £.....

Hon. Mr. KERR.—What is the reference to the Harter Act?

Mr. WATT.—It is that:

'This shipment until delivery at the port (B) above mentioned is subject to all the terms and provisions of and all the exemptions from liability contained in the Act of Congress, the United States, approved on the 13th day of February, 1893.'

In respect of that clause this bill of lading differs from the Canadian bill of lading, and the reason why this is put in, is because the railway that signs this in Chicago does

not want to be fined $1,000 or sent to jail for violation of the statute. Whether the Harter Act applies throughout I cannot say, but that is why the clause is put there and why the bill of lading from the United States is better—if it is better—than the bill of lading from Canada.

The CHAIRMAN.—You admit that the bill of lading issued in the United States is better than the Canadian bill of lading?

Mr. WATTS.—I do not admit it. I simply admit that this clause is in the United States bill of lading.

Hon. Mr. BEIQUE.—What is the port referred to in that clause you have read?

Mr. WATT.—Whatever may be the port of destination, London, Liverpool, Glasgow or whatever it is. We put in a Chicago bill of lading, and we have put it in without objection, the following:—

'The property covered by this bill of lading is subject to all conditions expressed in the regular form of bills of lading in use by the steamship company at time of shipment, and to all local rules and regulations at ports of lading and destination not expressly provided for in the clauses herein.'

We think we protect ourselves in that way. The point I wish to make is that our bill of lading from the United States is precisely the same as our bill of lading from Canada, except that in order to prevent prosecutions under the Harter Act that Harter Act clause is included.

Hon. Mr. KERR.—To whom are those bills of lading issued?

Mr. WATT.—They are issued to the shipper of the goods.

Hon. Mr. KERR.—To the railways?

Mr. WATT.—No. This bill of lading represents a bill given by the agent of the steamship and the agent of the railway, who is one and the same person in Chicago, and it is handed to the shipper of the goods.

Hon. Mr. KERR.—Who is the shipper of the goods in Chicago? Somebody that is passing them through Chicago?

Mr. WATT.—No, the large packing houses and the large grain dealers in Chicago.

Hon. Mr. KERR.—Do you call the attention of the shipper to that last clause as something that counteracts the Harter Act?

Mr. WATT.—We suppose that he is a man of sense and that he reads his document. We have been using those bills for twenty years, I suppose. I want to say that the charge that we deal on more favourable terms with shipments from the United States than with shipments from Canada is not borne out by the facts. As I said, we run ships from Portland in winter and from Montreal in summer, and issue bills of lading from Portland precisely the same as the bills of lading we issue at Montreal. There is no difference whatever. I am afraid, however, that the Harter Act will fetch us in Portland and if it came into court I do not know that our document would stand.

Hon. Mr. LOUGHEED.—Shippers claim to have a grievance by a reason of not having a remedy under law under the bill of lading issued in Canada, which they have in the United States. What would be the proportion of claims or actions for damages as between goods carried from the United States ports and goods carried from Canadian ports by reason of that distinction?

Mr. WATT.—I will deal with that a little later. You wish to ask whether we suffer more from the conditions imposed?

Hon. Mr. LOUGHEED.—What ground is there for the grievance of the shippers?

Mr. WATT.—I think there is nothing in that whatever. I should like to see instances or cases in which the Canadian lines refused to do what the United States lines do; but as a matter of fact the shippers and consignees of goods do not apply to the ship when there is damage or loss. They go to their underwriters and then they subrogate their right to the underwriter, and the underwriter comes on the ship.

Hon. Mr. LOUGHEED.—The underwriter has his remedy against the carrier. Can you state the proportion of claims in the two countries?

Mr. WATT.—I do not believe we have ever had an action brought against us under

the Harter Act in England. If any had been brought we would have heard of it. As I said before, we deliver our goods in such a condition that there is no necessity for any such action.

Hon. Mr. LOUGHEED.—So you cannot speak of any distinction by reason of that discrimination between the two bills of lading ?

Mr. WATT.—There is a distinction, which I will tell you of later on. I have spoken now as to the conditions of the bills of lading; then there is the question of freight rates. There seems to be a vein of complaint running through these proceedings that we carry United States goods at a cheaper rate than we carry Canadian goods. I have shown you that we carry them practically under the same conditions. As regards the rates of freight that is the other way about entirely. As a rule—and we maintain it whenever we can—we carry United States goods at a dearer rate than we carry Canadian goods. At the present time there is a large volume of flour moved from the United States, and our freight rate from the United States is nine cents a hundred pounds while our freight rate from Canada is eight cents per hundred pounds. We get from the United States only two leading commodities, that is, flour, oatmeal, and cornmeal, which we class as flour, and we get packing-house products, such as cured meats, salted meats, lard, &c. Our freight rates throughout the entire last season were two cents dearer on United States traffic than on Canadian traffic.

Hon. Mr. MCSWEENEY.—How about packing stuff, such as lard—is not that cheaper in the United States than in Canada ?

Mr. WATT.—It is cheaper from Canada than from the United tSates. It is an amazing thing that senators should say we charge more to Canadian shippers than we charge to United States shippers. Precisely the contrary is the case. We uniformly charge more on United States flour than we charge on Canadian flour, and on packing-house produces, such as pork, lard, salted and cured meats, &c., the difference in favour of Canada is two cents. They are cheaper to the Canadian. He gets his freight cheaper, that is, when shipped from Montreal.

Hon. Mr. LOUGHEED.—How do you account for that ? Competition ?

Mr. WATT.—No. I am quite free to say we would get the two extra cents if we could; but the conditions are that in the United States they give Philadelphia two cents cheaper rate than New York and Boston, and by a further arrangement Montreal is put on the Philadelphia basis; so that the rate of freight from Chicago to Montreal is two cents cheaper than Chicago to New York; and we generally get that two cents more on our freight; and the same with flour.

Hon. Mr. BOWELL.—It is alleged that you bring goods from Europe, or send goods from here in the winter season, cheaper on a through bill of lading, Liverpool to Portland, or your American port, to Montreal, than you carry goods which come by way of Halifax to Montreal from the same ports. It is said also that the charges on the Intercolonial Railway are the same as those which are charged upon the Grand Trunk from Montreal to Portland. Is that correct ?

Mr. WATT.—It is scarcely correct.

Hon. Mr. BOWELL.—It is stated by the shippers.

Mr. WATT.—I think you had better refer it to the management of the Intercolonial Railway. We have to pay the Intercolonial Railway one cent more than we pay the Grand Trunk. The Intercolonial Railway from Montreal to Halifax charges one cent more than the Grand Trunk Railway from Montreal to Portland.

Hon. Sir MACKENZIE BOWELL.—The Canadian Pacific Railway charges the same from Montreal to St. John as the Grand Trunk Railway charges from Montreal to Portland.

Mr. WATT.—That is correct, but on all traffic over the Intercolonial Railway they want to get one cent per hundred pounds more from us.

Hon. Sir MACKENZIE BOWELL.—But do they get it?

Mr. WATT.—We have to pay it if the goods go over their line, but if we want to save it we go the other way. We have to take that one cent off our rate very often.

Hon. Mr. MCSWEENEY.—The statement was made in the House of Commons that

they got their freight on package stuff much cheaper from Boston and Portland than from Montreal.

Mr. WATT.—No doubt, they sometimes do.

Hon. Mr. MCSWEENEY.—They gave dates and facts and figures. I asked you in regard to that and you said no.

Mr. WATT.—I thought you were referring to our own line. I am only speaking of our own line. We never discriminate in that fashion as regards Canadian shipments; but there is the other point that the United States lines have extended their business into Canada, and have privateered in Canada and cut rates. We were getting ten cents a hundred pounds on flour from Portland to Glasgow. It is down to six and a half or seven now, the reason being that the United States lines count everything they get out of Canada as so much found traffic; and there is no bonus or anything to counteract. The railway companies do not favour Canada any more than the United States. They carry freight at the same price.

Hon. Sir MACKENZIE BOWELL.—Can you give us any reason why the ocean carriers should be exempt from the liability which inland carriers of freight have to assume? If goods are carried by an inland carrier, they are subject to certain penalties. Why should the ocean steamship companies be exempt from the same liabilities? That is what the Bill is aiming at.

Mr. WATT.—The honourable senator who introduced this Bill states the case perfectly clearly. He wants those engaged in ocean shipping to be made common carriers.

Hon. Sir MACKENZIE BOWELL.—I want you to give reasons why you should be exempt from the liabilities of inland carriers—to show why you should not be subject to the general law relating to common carriers.

Mr. WATT.—This Bill is aiming in that direction, and is going to compel the ship owners to become common carriers. I have only to say that there is no country owning tonnage in the world that has made an ocean ship a common carrier. She is a carrier by contract and not a common carrier.

Hon. Mr. KERR.—Why?

Mr. WATT.—Because business is done in that way. The United States has in some sense made tonnage out of their ports common carriers. They have gone to some extent in that direction, but they have taken good care to bounty all their tonnage, and their acts are only acts against the countries that have been able to maintain and support ocean tonnage without injuring their own.

Hon. Mr. Ross (Middlesex).—Would it not be quite consistent with the shipping interests if the conditions applying to common carriers should apply to ocean shipping?

Mr. WATT.—If the whole world did it, it would be all right.

Hon. Mr. ROSS.—Supposing we did it, what object is it to us what the rest of the world do?

Mr. WATT.—You have no tonnage.

Hon. Mr. ROSS.—No, but we will have.

Mr. WATT.—You cannot expect tonnage to grow up under oppressive legislation.

Hon. Mr. ROSS.—Show us that it is oppressive?

Mr. WATT.—It exists nowhere else but in the United States.

Hon. Mr. LOUGHEED.—And Australia.

Mr. WATT.—Australia has no tonnage.

Hon. Mr. ROSS.—You are an experienced shipper. Is it possible for parliament——

Mr. WATT.—Parliament can do anything, except turn a man into a woman.

Hon. Mr. KERR.—Has the Australian policy in any way increased the rates?

Mr. WATT.—I do not know. Australia is the home of all sorts of socialistic legislation, and I do not know what the effect has been.

Hon. Mr. LOUGHEED.—Can you say whether the legislation in Australia and the United States is a burden on shipping?

Mr. WATT.—It is undoubtedly a burden. It throws on them a responsibility which ought not to be thrown on an ocean carrier. If the Bill is passed, the only effect would be that the money for all-risks clauses would be paid twice over.

Hon. Mr. LOUGHEED.—How is that burden evidenced?

Mr. WATT.—In this way: that I do not think any shipowner would accept the responsibility imposed by such an Act of parliament without insuring. He would cover his risk and pay a premium.

Hon. Mr. LOUGHEED.—Do you not do the same in Canada? Do you not insure to the same extent, or in the same proportion?

Mr. WATT.—No, we do not insure.

Hon. Mr. KERR.—There is a difference between the conditions under the Harter Act and the conditions in the bills of lading issued by the port of Montreal, by a number of lines anyway. I understand you to say that as far as your lines are concerned, your ships carry their goods and deliver them in such condition that there has been no question raised—it has never been necessary to raise the question respecting the Harter Act.

Hon. Mr. WATT.—I do not think it is.

Hon. Mr. KERR.—There is that difference between the two. Then it would be no hardship on you if you delivered your goods in such a condition, to make that a condition of your bill of lading.

Mr. WATT.—Oh, yes. A ship is a unit, and she may deliver her goods all right for one year, and may come to grief another year.

Hon. Mr. KERR.—You say it has arisen with you?

Mr. WATT.—No. I was asked whether we had suffered anything on account of the Harter Act, and I say no.

Hon. Mr. KERR.—Because you have always delivered the goods.

Mr. WATT.—A gentleman before the committee on the last occasion says he recovered one-eightieth of one per cent on the goods. Some of our ships may recover one-eightieth of one per cent.

Hon. Mr. LOUGHEED.—The only tangible evidence we have of this burthen is that you place insurance on your ships from American ports by reason of the Harter Act.

Mr. WATT.—I am not sure whether we pay insurance or take the risk. I think we do both.

Hon. Mr. LOUGHEED.—I understand from the representative of the underwriters that really no distinction was drawn between the two countries in negotiating insurance.

Mr. WATT.—That is quite true. I am in a position to prove that.

Hon. Mr. LOUGHEED.—The question of insurance would not arise.

Mr. WATT.—Yes, it would, because the ships would not be justified in taking that risk without insuring. There may be sixty owners of a steamship, and in very many cases there are joint stock companies for each particular bottom. I do not think any ships would run the risk of this bill of lading without covering it by insurance.

Hon. Mr. LOUGHEED.—Do they do it?

Mr. WATT.—This Bill is not passed. They have not had an opportunity.

Hon. Mr. LOUGHEED—You ship out of both ports. Do you differentiate in your insurance between a Canadian and an American port?

Mr. WATT.—What we differentiate is in our freight rate. We get a cent extra on the American traffic.

Hon. Mr. LOUGHEED.—You said that it was by reason of the Interstate Commission.

Mr. WATT.—Yes. You gentlemen do not think it is much to pass a Bill of this sort and place these burdens on ships. It is a serious thing. In the first place, you are placing this liability on ships. I may say the great bulk of the tonnage that comes to Canada has been specially built up by ships. I daresay there are about six or eight million dollars invested on the faith of the ordinary laws of the province, and you proceed to change the laws, and you do not give the ships compensation for that, and not only that, but you take away the rights of contract.

Hon. Mr. MCMULLEN.—Let us have your objections to the Bill.

Mr. WATT.—My objection to the Bill, is *in toto*. I think the Dominion is doing an injustice to ships in passing such a measure.

Hon. Mr. MCMULLEN.—You would let the steamship companies do as they like.

Mr. WATT.—They are not units. There are eight or ten companies, and there is no necessity for a unit.

Hon. Mr. MCMULLEN.—Was there any necessity for the Harter Act ?

Mr. WATT.—The Harter Act is better. The object of the United States has been to penalize foreign tonnage, and endeavour to build up their own tonnage.

Hon. Mr. MCSWEENEY.—They have not done it.

Mr. WATT.—They have done it by a bounty. You do not propose to give us a bounty in consequence of putting this burden on the ships, I suppose. In the United States they have bounties for every ship, for every mile travelled.

Hon. Mr. LOUGHEED.—For United States bottoms.

Mr. WATT.—You will find they have bounties on nearly all their foreign tonnage ?

Hon. Mr. LOUGHEED.—Does that not apply only to passengers?

Mr. WATT.—No, passengers and freight.

Hon. Sir MACKENZIE BOWELL.—Is that not the basis of subsidizing the carrying of the mails ?

Mr. MEREDITH.—Apart entirely from the steamers that carry mails there are bounties for American ships for freight. They have their coasting laws, which are very strict.

Hon. Mr. LOUGHEED.—Is it under the general Act, or are those bounties given to specific lines ?

Mr. MEREDITH.—I will ascertain that.

Mr. WATT.—I should like to state quite clearly from the shipper's point of view that there has been no occasion for this legislation. Nobody who has argued in favour of this Bill has stated that he has suffered even to the extent of one hundred dollars in consequence of the bill of lading.

Hon. Mr. KERR.—Higher insurance.

Mr. WATT.—They have not paid any higher insurance.

Mr. KERR.—They say they have.

Mr. WATT.—I am afraid they are mistaken. The rates of insurance have been reduced. We consulted some of the underwriters and asked them what it would cost to do that, and they informed us that it was quite unnecessary, because their existing policies covered it.

Hon. Sir MACKENZIE BOWELL.—I was told of a case where a package of sugar was spoiled by a leakage of oil, and an action was taken in England to recover damages, and the answer was, 'You entered into this contract and you cannot recover.'

Mr. WATT.—Was that import or export ?

Hon. Mr. KERR.—Export from this country to England.

Mr. MEREDITH.—It must have been import. Mr. Mitchell defended the action for one of the insurance companies.

Mr. MITCHELL.—It was technically dismissed on the bill of lading, but the proof in the case showed that the damage to the sugar was exceedingly trifling, and eliminated in the process of refining.

Hon. Sir MACKENZIE BOWELL.—Then the case was dismissed on the terms of the bill of lading? That is as I understood it.

Mr. MITCHELL.—I think any one who read the record in that case would not feel that the shipper had suffered any injustice, on account of the proof that he had made.

Hon. Mr. ROSS.—Could you state briefly and concisely what damage would result to shipping if this Bill passed ?

Mr. WATT.—My first point is that this Bill is very wide. It covers not only the Canadian traffic, but United States traffic.

Hon. Mr. ROSS.—Would it put Canadian shippers at a disadvantage compared with United States shippers?

Mr. WATT.—Undoubtedly.

Hon. Mr. Ross.—How much ?

Mr. Watt.—I do not think we can insure this risk at very much less than 25 cents on a hundred dollars, and we carry $350,000, or $200,000, and perhaps down to $100,000.

Hon. Mr. Ross.—It would increase your insurance.

Mr. Watt.—Yes, I think on some of our cargoes it would cost one thousand dollars, and on some perhaps $500, and some ships less.

Hon. Mr. Ross.—Would you be obliged for your own safety to have the insurance?

Mr. Watt.—I think so.

Hon. Mr. Ross.—Could you not take that risk?

Mr. Watt.—I do not think any ship would take that risk.

Hon. Mr. Ross.—What would the next loss to the shipping be?

Mr. Watt.—We would have to discriminate in cargo. We could not carry everything which was offered. If high-class freight with a large value were offered, we would have to either refuse it or charge a higher rate.

Hon. Sir Mackenzie Bowell.—You have said you carried goods with so much care and regularity that you never had an occasion for damages?

Mr. Watt.—I said we never had an action, and the reason was because we carried the goods in such good order.

Hon. Mr. Ross.—You have been carrying goods without an accident, but you are afraid that if the Bill passes, you will meet with an accident.

Mr. Watt.—We have had many accidents, and it cost us a large amount of money.

Hon. Mr. Lougheed.—You have a classification of freight ?

Mr. Watt.—Yes, but it is mostly in proportion to the bulk, the space which it occupies and the fragility of the packages. One hundred dollars a ton I think is the price we estimate, and we have a limit of liability in our bill of lading of $25 on the bulk of the traffic. We are absolutely opposed to being denied the right of traffic.

Hon. Mr. Ross.—We have to guard the interest of the shippers.

Mr. Watt.—I want to prove you are not guarding them at all. You are placing a disability on ships which is not placed upon them in England or Germany, and not placed upon them in Scandinavia or Italy. These are the largest shipping interests in the world, and these countries have built their tonnage, and have prospered without being subjected to legislation of this character.

Hon. Mr. Ross.—If it were proved before this committee that the shippers have suffered loss without redress——

Mr. Watt.—I would like to see that. The honourable gentleman read the clauses over and said how ridiculous they were. He spoke of the hook-marks, &c. This bill of lading has grown considerably, and it is now intended to cover every possible description of cargo. We think it a good point that we have only one bill of lading and all the traffic is carried on the conditions of that bill of lading. We could give a bill of lading for flour, eliminating a great many of the conditions, and we could give a bill of lading for deals. I think we possibly could give a separate bill of lading for flour, but it would lead to complication.

The Chairman.—How many extra exemptions have been inserted in the present bill of lading, over the original bill of lading issued by the steamship companies?

Mr. Watt.—If we go back to the days of the old sailing vessels——

The Chairman.—I am asking as to the bill of lading of the Allan Steamship Line prior to the federation. You had not as many exemptions at that time as you have to-day.

Mr. Watt.—The federation has nothing to do with the bills of lading. Every line has its own bill, and they differ.

Hon. Mr. Kerr.—Is this the same bill of lading you have always used?

Mr. Watt.—It is just the same as has been used for many years, and not changed materially.

The Chairman.—Have any extra exemptions been put upon that bill of lading,

since the original bills of lading were first used by your company as a steamship company?

Mr. WATT.—The Allan Line went back to the days of sailing vessels, and we had a bill of lading not one-fourth that size, but when steamships came in, further conditions were added to suit the steamship insurance, and when the underwriters intervened, further additions were made, but this bill of lading has been in use for five or ten years, although it has been changed, and it is the Allan line. It is not the Federation Bill. No doubt if the Allan Line inserted a new clause, the other companies would adopt it, I fancy.

Hon. Mr. LOUGHEED.—The doctrine of evolution applies?

Mr. WATT.—Yes.

The CHAIRMAN.—The Hon. Mr. Forget put the question to a gentleman who was answering the questions put by Mr. Meredith with regard to the insurance of the different ships:—

'Q. You mean to say that Canadian hulls are not insured by your firm?—A. I spoke only of the vessels of the Dominion, the White Star and three or four which are not insured.

'Q. Not insured at all?—A. Not insured at all.

'Not even with the English companies?—A. Not even with English companies. They are absolutely at owners' expense, on account of the high rates.

Mr. WATT.—That is quite true, and I have no doubt that is right. That is special for a large company called the International Mercantile Marine. They run vessels to New York, Baltimore, New Orleans, and also to Montreal.

The CHAIRMAN.—Do you not think it is on account of the many exemptions in the bill of lading that the companies have come to the conclusion that they do not require insurance?

Mr. WATT.—The bills of lading from the United States ports are precisely the same, except that they are subject to the Harter Act. Your question is one that I think I am able to answer from information, not from actual knowledge of facts. The insurance of hulls out of the St. Lawrence is quite fifty per cent more than the insurance on hulls out of New York. There is no doubt about that at all. That is a well-known fact. That is on both vessels and goods, and it is higher on vessels than on goods. The difference is greater, for the reason that the ships are insured for the whole year. There is an annual policy for them. But in the case of goods there is not an annual policy, but the shipper has to pay the premium, and it is issued to him at the time of shipment. There is no doubt a large company would take a risk on their own hulls.

Hon. Mr. LOUGHEED.—Are there cases where the owners will insure the hull but not the cargo?

Mr. WATT.—I do not think they ever insure the cargo. I think it would not be legal for a shipper to insure a cargo.

Hon. Mr. THOMPSON.—They insure freight.

Mr. WATT.—The traffic coming from England is subject to quite an inland freight, and, broadly speaking, the shipowner would insure the outlay, but whether they insure their own freight earnings or not is a matter which they decide for themselves. The point I want to make is, that to pass this Bill and place this liability on the ship would simply involve the payment of another premium.

Hon. Mr. LOUGHEED.—There is no difference in the law between Canadian or American ports as to the hull itself. It simply applies to the cargo?

Mr. WATT.—First of all the objection is that there is a grievance, and the next is that it would increase the premium for the insurance on the ship. On some of the large cargoes it would cost as much as eight hundred or a thousand dollars, and on the low priced cargoes it would not cost less than $250. There is no reason why the present system should not continue. In looking into this question, and getting tenders for rates, I found there was no difference, that the underwriter would give a risk on pork stuff and he would take a cover on flour in accordance with this clause, and he would charge the same for an F.B.A. risk.

Hon. Mr. THOMPSON.—He would protect the ship from the exemption clause by his insurance.

Mr. WATT.—Yes. Of course the rules are subject to change, and the underwriters might change the rule. At the present time they are using these clauses. I will file this document with the committee, if there is no objection. The first one covers on pork stuff; the second is cover on meat, and the third is the all-risks clause on flour. The point I want to make is that to put that bill on ships and to compel them to insure would simply be putting money into the hands of another underwriter.

Hon. Mr. THOMPSON.—And the shipper would have to pay about the same rate of insurance to protect his interest.

Hon. Mr. KERR.—If you were bound to indemnify the shipper, you would be the person to insure.

Mr. MEREDITH.—The shipper has to insure against the perils of the sea.

Hon. Mr. KERR.—But the evidence we have here is that the insurance has increased by reason of these unreasonable conditions.

Mr. MEREDITH.—It was denied by Mr. Lloyd.

Mr. WATT.—There is no doubt the risk would be great. I think at the present time they would rather take the extra risk and save the money. If the risk is put on the ship, the shipper does not need to cover it, and the underwriter would naturally put it down, but that does not exist. There is no difference between one insurance and the other. This food-stuff pays all losses up to three per cent on each package. It covers goods from the packing-house to the warehouse of the buyer in England. This fourth clause does the same, without regard to percentage, and takes the traffic from the mill to the bakehouse, as I said before. These are the two clauses, and I think they would be useful for the committee.

INSURANCE COVERS ON PROVISIONS AND FLOUR.

Pork Stuffs.

To pay average if amounting to three per cent on each package, tierce or barrel; and to pay damage to or deterioration of goods should the vessel be disabled and thereby delayed.

Including rail risk from interior and fire risk on dock or in sheds awaiting shipment, or fire risk on deck, or in sheds on dock at port of discharge and until delivered at warehouse of consignee.

Including risk of craft to and from the vessel, each lighter or craft to be considered as if separately insured.

Negligence and latent defect clauses in the bill of lading or charter party not to prejudice this insurance.

This policy shall not be vitiated by any unintentional error in description of voyage or interest, or by deviation, or by the forwarding of the shipment in whole or in part by any steamer or steamers other than those named in the certificate, provided the same be communicated to assurers as soon as known to the assured, and in addition premium paid if required.

A second cover reads as follows:—

'Packing house products are insured subject to conditions as follows:—Particular average payable if amounting to three per cent upon each package, tierce or barrel, but claims for leakage and for underweight to be paid only if occasioned by the vessel being stranded, sunk, burnt or in collision, also to pay all damage to or deterioration of goods should the vessel be disabled and thereby delayed. Cotton and butter oil and other oils free of particular average unless the vessel be stranded, sunk, burnt or in collision.'

'Dairy products and all other merchandise are insured subject to conditions as follows:—Warranted free from particular average unless the ship or craft be stranded, sunk, on fire, or in collision, or in contact with any substance (ice included)other than

water. The said collision or contact to be of such a nature as may reasonably be supposed to have caused or led to the damage claimed.'

Supplementary lighterage risk at destination required to take the goods from the dock where discharged to warehouse is hereby included under this insurance, covering risk at port of loading, while the goods are on dock of the steamship line awaiting shipment and for not exceeding fourteen days while on dock at port of destination.'

One of the flour cover reads as follows:—

Flour clause.

This policy is to cover all claims for damage whatsoever to flour and mill products as provided, arising from all hazards and dangers of transportation and without regard to the percentage of damage from the time of leaving the mills in the interior by any conveyance by land or by water until safely delivered at the port of destination, including risk or negligence excepted in the bill of lading and risks of transhipment from the vessel or quays to the customary point of delivery of the steamship lines at the port of destination; including risk of quays and for 72 hours after unloading at port or place of delivery before referred to; including risk of craft to and from the vessel.'

Hon. Mr. McMULLEN.—I would respectfully suggest that we stop examining this gentleman and hear some of the others.

Hon. Sir MACKENZIE BOWELL.—There is plenty of time; we have nothing else to do.

Mr. WATT.—There are one or two points I should like to deal with. First of all, a senator wishes to know where our contracts stand. We have freight contracts up to the opening of navigation next year. We have now before us offers of freight, a large volume of traffic offered us from industrial companies here. We were discussing the other day an offer of fifteen thousand tons of cargo to be carried forward, and we would like to know under what laws we have to deal with them.

Hon. Mr. LOUGHEED.—Over what time would the contract extend?

Mr. WATT.—This fifteen thousand tons would extend over four years.

Hon. Mr. KERR.—You have not entered into that ?

Mr. WATT.—We have given out a rate and we would have to receive from it.

Hon. Mr. KERR.—You can protect yourselves against that.

Mr. WATT.—But what is the other man to do ? He is a manufacturer and he wants to ship his freight out.

Hon. Mr. BEIQUE.—Are we going to stop legislation entirely because it may affect such arrangements ?

Mr. WATT.—Several years ago, in the interest of the manufacturers of the country, we got out a book of rates to London and distributed copies all over. They are very cheap rates, beginning at ten shillings a ton. That has been in use for five years. This book was printed in 1905; we would have to revise all that and tell them we cannot offer such rates.

Hon. Mr. KERR.—But when you delivered so well during all those years it should make no difference.

Mr. WATT.—The Atlantic takes its toll out of us the same as others. You cannot escape that; as long as you sail ships you must run risks.

Hon. Mr. McMULLEN.—Did you recast your schedule rate of rates when the Harter Act was passed in the United States, from Portland and Boston ?

Mr. WATT.—We carry so little from the United States that it does not affect us.

Mr. McMULLEN.—You must carry a good deal in the winter time from Portland and Boston. Even on the little that you carry, did you recast your rates when the Harter Act was passed ?

Mr. WATT.—If you carry traffic out of Boston or Portland you have to be governed by the New York or the Boston rate. It is a question of competition. The rates are not made by the steamships ; they are made by the steamships and shippers, and if we put up our rates at competitive ports we cannot get the freight. First of

all you take away our right to contract. You remove from us the common law right. In this Bill you really make us criminals if we exercise our ordinary right to make contracts and impose terms.

Hon. Mr. Ross (Middlesex)—Does not parliament exercise control over railway companies ?

Mr. WATT.—Railway companies are common carriers. They are here and always have been and will have to stay here.

Hon. Mr. Ross (Middlesex).—Others may be made common carriers.

Mr. WATT.—Parliament can do anything; the question is the wisdom and prudence of it.

Hon. Mr. Ross (Middlesex).—Is it a question of policy ?

Mr. WATT.—It is a question of policy. If we are made worse off than we are now, we expect to get some compensation.

Hon. Mr. Ross (Middlesex).—That does not follow at all.

Mr. WATT.—Railways were built under large subsidies.

Hon. Mr. Ross (Middlesex).—Not in England.

Mr. WATT.—In England they are not common carriers unless they like. They have the right of contract. I have here our book of arbitrage over various places, and in the forefront of it there is a point, that special attention is drawn to the fact that in all cases where owners-risk rates are in operation this arbitrage affected it. You forbid us to do that in this Bill; I do not know whether you forbid the railways or not.

Hon. Mr. BEIQUE.—Do you think this is a condition which should be allowed to remain : ' But nevertheless the goods may be delivered to the consignee herein without the production of an endorsed bill of lading and such delivery shall free the master, owner and agents from all liability to deliver to any other person.' Is that a reasonable condition ?

Mr. WATT.—I am very happy to answer that question. In Quebec the bill of lading carries the goods.

Hon. Mr. BEIQUE.—That applies everywhere.

Mr. WATT.—In England you cannot take delivery by simply passing a document; you have to take physical possession. There must be something that constitutes a legal delivery. If you buy stuff at a warehouse, your duty is to remove the goods from the place where they are stored and put them in another place. If you do not go through that formality, you have not possession. They are still subject by the assignee or the banker or others. That is a point where the English practice differs from ours. That is a point that has been raised more than once by the banks, and we have said to the banks that our interest and sympathy are with the unpaid vendor; that we prefer to protect him against all carriers, but the unpaid vendor must on his part draw a proper document. His bill of lading must be in a form which permits us to hold the goods. Whatever the clause respecting the holding of these goods, the shippers wish, we will put in the bill of lading. That clause was put there as the result of what ? If a man takes a bill of lading and writes a consignee's name in the bill of lading he has parted with the possession in England. Now that is a point, that is lost sight of here, but that is not touched by this proposed Bill. But whatever clause the shippers of goods and the bankers here in Canada want we will give all our help. I have myself seen in years past many cases of very great hardship on the part of Canadian shippers and unpaid vendors. They have failed to get their goods. They have taken legal process against us and sometimes we have won and sometimes lost. It is a very important matter. I daresay thousands of bills of lading have passed under my eyes, and it is matter of amazement to me how slipshod and indifferent people are to their own interests in drawing those documents.

M. MEREDITH.—Take any of these forms and suppose a shipper were to fill in the blank space with these words—' to be delivered on the shipper's order by endorsement thereon '—would not that clear the whole difficulty?

Mr. WATT.—I suggested that phraseology years ago to the shippers and the banks.

Hon. Mr. DOMVILLE.—That used to be in the old bills of lading.

Mr. WATT.—The usual bill of lading is to deliver to his own order or assignment, and in England a man may assign without the bill of lading. We cannot undertake to correct the errors of the drawers of bills of lading or the shippers. They must look after themselves, and we will put any clause in the bill of lading which the bankers and the shippers want, voluntarily and for our own interests. There is a point I wish to make connected with the bill. Our effort is to have all the cargo on a ship under the same system of law, and we select England for our export bills as being the proper place where damage could be assessed and claims admitted and the liability of the underwriter determined. You change all that here. You propose that anybody shipping goods anywhere shall have a right to come on the ship, so that if goods are shipped we will have to go to Winnipeg, and Alberta and British Columbia to defend suits. We will have, I suppose, by parity of reasoning, to go into every State of the neighbouring country to defend suits and to all the ports of the Dominion from which we carry through bills of lading to defend actions. That does not seem a very judicial proceeding for a legislative body.

Hon. Mr. CAMPBELL.—Do you want the shipper to go to England and defend the suit?

Mr. WATT.—No. We want the holder of a bill of lading to exercise his rights where the cargo is discharged, where the goods are seen and the damages assessed and the liability placed on the ship or otherwise. All shippers, I daresay, are interested in this putting claims on ships, but the Maritime Provinces are the ones that would govern in this case. The right of making a contract is a civil right, and to take away that civil right, it seems to me, is trenching on the rights of the provinces to some extent, but at any rate we would like that the Maritime Provinces should be heard on this point. They have a much bigger interest than the western provinces.

The CHIRMAN.—Every part of the Dominion is represented in this committee, but while you say that the Maritime Provinces should be heard ,and they will be heard, there is this difference between them and the people of the west. Western shippers only receive the through bill of lading from the railway company, and they do not know anything about the ship and were not aware that these exemptions existed. The people of the Maritime Provinces and Montreal have the advantage of going direct to the office of the steamship and seeing the bill of lading for themselves, but the western people have not that advantage.

Mr. WATT.—All I can say is they have taken the precaution to cover all this.

The CHAIRMAN.—Precaution with whom?

Mr. WATT.—With the underwriters. The underwriters' policies protect them against the clauses of the bill of lading.

The CHAIRMAN.—The complaint that seemed to be brought forward here before the committee was this, that the railway companies, who were the first carriers, gave the shippers their bill of lading, and they could recover from the railway company any damages that might occur while the goods were in transit on the railway, but after they passed out of the railway's hands the goods got under the bill of lading of the steamship with all these conditions in them, and they had no recourse.

Mr. WATT.—No recourse against the ship, but recourse against the underwriters and against the railway. This recourse remains.

The CHAIRMAN.—That is the objectionable feature they find in the existing state of affairs, that they cannot get at the shipping company, but have to go after the underwriter.

Mr. WATT.—The underwriter pays up. The competition among the underwriters is so great that any damage proved at the port of destination is paid forthwith by the underwriter or his agent.

The CHAIRMAN.—What have you to say with regard to the exemption, that you are not bound to deliver the goods marked to the person or a certain brand, say a hundred sacks of flour from one mill and one hundred from another, and these are

sent to different people, not the people to whom they were consigned at all, and yet neither the underwhiters nor the ships hold themselves responsible.

Mr. WATT.—The millers are greatly to blame for that, from the absence of distinct marks on the sacks. I noticed a reference to a white rose brand of flour and I had occasion to look at red rose and yellow rose, and I noticed that while the bill of lading said red rose, there was no red rose on the sacks, it was simply stencilled in a blotch. The fact is, the way these things are managed makes it exceedingly difficult to discriminate, and there will be mistakes unless the millers put marks on their goods that can be distinguished by anybody on the other side. This is an incident in the growth of through bills of lading which has changed the character of business materially. In old days goods were sent to an agent in Montreal, who made the arrangement with the shipping company. Now the goods are loaded into cars by millers and the railways do not see them. They are brought down and delivered to us *en bloc* and sent forward. The course of shipment is very complex. Goods are sent from the mill to the lake shore and there they are all piled in warehouses. By and by a lake steamer comes along and takes part of the goods to the other side of the lake. Then the railway takes the goods to Coteau Landing or Montreal. If they are carried to Coteau Landing they are brought to us in lighters, and if to Montreal there is fair delivery from the car to the ship, but the Ontario gentlemen do not need to ship that way. A car is sent to their mill and it is loaded and shipped direct, and there is no mixing or delay. Those who are unfamiliar with the subject do not realize the difficulties that exist in these lake and rail shipments. They are growing more and more difficult, and by and by we will have large shipments from the west brought by rail to the head of the lakes, ferried across the lakes, and then forwarded by lake to Montreal. If the millers would only put some distinctive mark on their goods that any ordinary man could see, there would be no difficulty.

The CHAIRMAN.—That all being complied with by the millers, do you not think it is unfair for the shipping company to say that they should hold themselves exempt from damage done to the goods by cattle excretions and other things in transit.

Mr. WATT.—Of late years cattle have formed a very large export from Canada, and it is very important that it should continue so. Many years ago the regulations for the shipping of that live stock, and the legislation connected with it were dealt with by the Montreal lines, and they deal with it, in a somewhat drastic form. There is an officer who attends on the ship and sees that the decks are in a proper condition to carry cattle. He superintends the shipping of the cattle and gives a certificate that the cattle are properly stowed and shipped in good shape. If that ship at sea meets with heavy weather and the deck is of steel and iron some of the bolts may start, or if the deck is of wood, seams may open and the excretions of cattle drop through and damage the goods. The bill shipper of the goods gets a policy of lading. He is secured by the terms of his policy which cover these conditions. It does not seem a wise clause to put in, and it does not appear in our bill of lading, but whether it is in the bill of lading or not the ship is not responsible. It is a peril of the sea and the loss would have to be paid by the underwriter. If a ship was faulty, he could come on the ship, but it is put in the bill of lading to show that there is a risk which the shipper of the goods should see that his policy covers. I have here a copy of the live stock regulations which you may file in order that you may have an opportunity of seeing them.

REGULATIONS RESPECTING THE SHIPPING OF LIVE STOCK FROM CANADA, 1904.

Pursuant to the authority vested in the Governor in Council by the third section of the Act respecting the shipping of live stock, 54-55 Victoria, chapter 36, intituled, 'An Act respecting the shipping of Live Stock,' the following regulations are prescribed for the ships engaged in the transportation of live stock from any port or place in Canada to any port or place out of Canada, not being a port or place in the United

States of America, or in Newfoundland, or in St. Pierre, or Miquelon, or in Bermuda, or in any of the West India Islands, or in Mexico, or in South America.

Interpretation.—The expression 'cattle' means bulls, oxen, cows and heifers one and two years old, and the expression 'horse' includes mares.

APPLICATION FOR INSPECTION.

No. 1. The master, owner, or agent of every ship intending to take on board live stock for transportation from Canada, shall, if such ship requires to be inspected under the provisions of the Act hereinbefore mentioned, apply for inspection in writing to the inspector of the port at which the live stock is to be shipped, whereupon the inspector will take the steps necessary to inspect the vessel, and determine whether she is a safe, seaworthy and suitable ship for the transportation of live stock on the voyage intended.

(2) If the Inspector approves of the vessel he should notify the owner, master or agent, that he may proceed to fit up the ship as required by these regulations, but if the vessel has been previously fitted for the transportation of live stock, in a manner not consistent with these regulations, the inspector shall require compliance with these requirements in all respects before issuing his certificate.

(3) Live stock must not be carried on any part of the vessel where they will interfere with the proper management of the ship, or with the efficient working of the necessary boats, or with the requisite ventilation of the vessel.

CATTLE AND SHEEP.

SPACE.

No. 2. Fat cattle carried on the upper or spar deck must be given a space of 2 feet 6 inches clear in width, by 8 feet clear in length, and not less than 6 feet 3 inches in height each; and in no case shall more than four head of cattle be allowed in each pen, except at the end of a row, where 5 cattle may be allowed together; provided, however, that 5 cattle each, 1,000 lbs. weight or under, commonly known as stockers, may be carried in a pen instead of 4 fat cattle, provided that when 5 stockers are carried in a pen instead of 4 fat cattle, the pen shall not be less than 10 feet 8 inches clear in width. Cows in calf are to be given the same space as fat cattle are given.

In ships fitted with permanent iron fittings with alley-ways not less than 3 feet in width, and fitted with approved and sufficient means of ventilation, fat cattle may be carried on the second deck in a space of 2 feet 6 inches in width provided that no cattle are carried on the hatches. If cattle are carried on the hatches, the space for each animal in the compartment must be 2 feet 8 inches in width. Cattle carried on the third deck must in all cases have a space of 2 feet 8 inches each in width.

(2) United States cattle shipped from any port in Canada, carried on the upper or spar deck, must be allowed a space of 2 feet 6 inches in width by 8 feet in depth per head, but such United States cattle when so shipped between decks must be allowed a space of 2 feet 8 inches in width by 8 feet in depth, except in the case of regular cattle ships with satisfactory ventilation, which may fit with an allowance of 2 feet 6 inches in width. No more than four (4) head of cattle will be allowed in each pen, except at the end of a row where five may be allowed together. Provided, however, that cattle under 1,000 lbs. in weight may be allowed a width of 2 feet 3 inches.

(3) Pens for sheep shall not be less than 7 feet in height divided into two equal compartments, and not more than 8 or 10 sheep will be counted equal to one fat ox according to the discretion of the Inspector.

DECKS.

No. 3. Cattle shall not be carried on more than three decks; and every deck on which cattle are carried must be provided with sufficient ventilation as hereinafter prescribed.

UPPER DECK FITTINGS.

No. 4 *stanchions, wooden.*—Stanchions must be of good sound spruce timber, not less than 3 by 5½ inches, placed at proper distances from centres, against ship's rail and secured to the rail by a hook of not less than ⅜-inch wrought iron with nut-screw. If the bulwarks are open, the foot of stanchions must be secured by filling pieces 2 x 3 inches placed outside of rail stanchions, to which the outside planking shall be nailed, and the whole secured by through bolts and nuts. A piece of 2 x 3 inches or 2-inch plank shall be fastened to outside of stanchion and run up to underneath rail to chock stanchion down. Outside stanchions shall extend up sufficient height to form stanchions for a hand-rail where necessary for the protection of the seamen. If the bulwarks are not open, the foot of the stanchion shall be secured by a bracing of 2 x 3-inch sound lumber from the back of each stanchion. Outside stanchions at top of pen shall be properly secured to fore and aft stringer beams or plates not less than 5½ x 2 inches. Inside stanchions must be placed directly in line without board stanchions to be set up so that the 5½-inch way of the stanchions shall set fore and aft, and properly secured at top to fore and after stringer beams or plates not less than 5½ x 2 inches, firmly secured at foot to deck and floorings to keep from lifting.

Stanchions, iron.—These may be used in place of wooden stanchions and should not be less than 2 inches in diameter, set in sockets above and below and fastened with nut and bolt.

Beams.—Beams or rafters must be of good sound lumber 2 x 6 inches, suitably placed, to run clear across the ship where practicable. Should any house or deck fittings be in the way, then butt up close to same. These beams shall be shouldered on the stanchions and made secure with chocks nailed or otherwise properly fastened to stanchions.

Angle iron frames.—Angle iron frames fitted from side to side on upper deck, 10 feet 8 inches apart, may be used instead of wooden stanchions and beams.

Head or breast boards.—Head-boards shall be not less than 1½ x 12 inches, of good sound lumber, and well secured on the pen side of the stanchions. A double stanchion to secure head-board shall be set up at each end of pen. A bolt of iron ⅝-inch in diameter shall pass through the double stanchions and head-board secured by a nut and screw. All head-boards shall have holes bored through them at proper distances, to tie the animals.

Foot boards.—Foot boards shall be of the same material as head-boards, properly nailed to stanchions on the inside of same.

Division boards.—Division boards shall be of 1½ inch x 12-inch sound lumber, fitted perpendicularly and arranged so that they divide the animals into pens of four, or, at end of row into pens of five.

Flooring.—Flooring for the deck shall be of sound 1-inch boards laid fore and aft on scantlings 2 x 3 inches laid athwart ship on the deck at 18-inch centres, and the whole well secured. Where very heavy cattle are stalled thicker flooring should be used.

It is optional with the owners whether they use sheathing on their ships with wooden decks, or whether they secure the foot locks to the decks, but iron decks must in all cases be sheathed. Cement may be used instead of wood sheathing with foot-locks moulded in the same.

Footlocks.—Footlocks shall be of good sound spruce or pine lumber, or hardwood, 1½ x 3 inches, laid fore and aft of ship, properly secured to sheathing or deck, placed 17, 16, 22, and 16 inches apart (the first one distant 17 inches from the trough), nailed when practicable with 4-inch nails through into deck strips and braced by similar locks placed athwart 18 inches apart and nailed through the deck strips.

Outside planking.—All the outside planking on open and closed rail ships must be properly laid fore and aft of ship and nailed to the backs of stanchions, and battened after the 1st November. Nothing less than 1¼-inch spruce or pine is to be used for this purpose.

Planking roof of shelter deck to be erected on upper deck.—The planks or boards to be nailed on this deck should be not less than 1-inch sound lumber 12 inches wide, laid on purlins, with 4 inches of space between the boards; the space to be fitted with a block of 4 x 1-inch at back and front plates or stringers, and at the purlins to give additional support to the second covering, which is to be of boards of the same dimensions, laid over the 4-inch openings of lower boarding.

UNDER DECK FITTING.

Stanchions.—Stanchions shall be of good sound spruce lumber not less than 3 x 5½ inches set up at proper distances from centres so that the 5¼-inch way of same shall stand fore and aft and jammed in tight between the two decks, properly braced on on head and from side to side of ship; this bracing shall be of 2 x 3-inch spruce or pine, and be properly butted against each stanchion. Where it is found impracticable to run these braces across ship, by reason of hatches, &c., coming in the way, then they shall be well braced from hatch coamings and from the obstruction which prevents running braces from side to side. The heads of these stanchions shall be braced fore and aft by 2 x 3-inch pieces well nailed on each stanchion and running fore and aft close up to the lower edge of the ship beams and butted at each end of compartment and against themselves, or chocked in underneath beam and well nailed to heads of stanchions. If upper and lower decks are wood then the stanchions set up between decks may be secured by well cleating to each deck by heads and heels of same.

Head or breast boards, foot boards, division boards flooring and footlocks shall be of the same dimensions as those on the upper deck and fastened in the same manner, and shall have holes bored at proper distances to tie animals.

Troughs.—Suitable troughs whether on upper or under decks shall be formed on the foot boards about 12 inches wide, when required. Troughs for sheep must be kept water-tight.

Casing for steering gear.—A suitable casing must be placed over the ship's steering gear when found necessary.

ALLEYWAYS.

Alleyways in front and between pens used for feeding and watering cattle must have a width of three feet, except at ends of alleyways in bow and stern of ship, and where obstructions, less than three feet in length, occur, the width may be reduced to a minimum of eighteen inches; alleyways in front and between pens used for feeding and watering horses must have a minimum width of three feet. Two or more athwartship alleyways at least 18 inches wide must be left on each side of deck so that scuppers can be readily reached and kept clear of obstructions. For sheep athwartship alleyways not less than 18 inches wide in the clear shall be left between pens and fore-and-aft alleyways 3 feet wide in front of each pen, except at obstructions and at ends of alleyways, as provided for cattle, there may be a minimum width of 18 inches. When two tiers of sheep are carried, the minimum width of fore-and-aft alleyways in bow and stern of ship shall be 2 feet clear of all obstructions. Sufficient space must be left at the sides of the hatches to permit the feed in the hold to be readily removed and handled. No feeds or other obstruction shall be placed or stowed in alleyways.

VENTILATION.

No. 5. Each compartment containing cattle must have at least four bell-mouthed ventilators, of not less than 18 inches inside diameter, and with top exceeding 7 feet in height, two situated at each end of the compartment, or have some other system of ventilation of which the inspector approves, but in every case the ship must always be supplied with a sufficient number of fans worked by steam to insure good and sufficient ventilation for the cattle.

No. 6. No cattle shall be loaded along the alleyways by engine-room unless side of said engine-room is covered by 1-inch lumber making a 3-inch air-space between.

No. 7. No cattle shall be loaded on hatches on decks above cattle, nor shall any merchandise, freight or food for cattle be loaded on said hatches, but said hatches shall at all times be kept clear, but cattle may be carried on the lowest hatch provided that a space on such hatch of 12 feet square be at all times kept clear and free; and no cattle shall be carried on any part of the vessel, where in ordinary course of navigation, they would interfere with the proper management of the vessel, or would interfere with the efficient working of the boats.

MISCELLANEOUS.

No. 8. Convenient and suitable stowage shall be provided under deck for feed for cattle; but hay to the extent of 50 pounds for each head of cattle for consumption in the River and Gulf of St. Lawrence, may be stowed on deck properly covered, and must be the first hay used. The Inspector must be satisfied as to the quality and quantity of food and water provided for the cattle. Hay must be in bales and grain in bags, and bales and bags must be marked in a legible manner with the name of the person who ships the cattle for which the feed is intended, and the cattle shipper shall furnish the inspector with a statement of the quantity of hay and grain supplied by him, and the number of cattle shipped by him for the intended voyage.

No. 9. All vessels will carry not less than 4 hogsheads of over 100 gallons capacity, for each 100 head of cattle, and these shall be filled with fresh cold water before sailing and re-filled as emptied, unless the vessel is fitted with water pipes suitably placed and fitted with taps for watering the cattle.

No. 10. Shippers of cattle will require to furnish a foreman and attendants to take charge of the cattle on board ship, and there shall be three attendants including the foreman for every one hundred head of cattle upon steamships having water pipes extending the entire length of both sides of compartments, but upon steamships not so fitted there shall be four attendants, including the foreman, for every one hundred head of cattle shipped. Shippers are required to notify the Inspector at least twelve hours before the sailing of the ship of the name of the foreman to be in charge of their shipment and of the names of the attendants, including the foreman, for every one hundred head of cattle shipped. Shippers are required to notify the Inspector at least twelve hours before the sailing of the ship of the name of the foreman to be in charge of their shipment and of the names of the attendants, and must furnish the Inspector with satisfactory evidence of their sobriety, experience, ability and general good conduct, and every such foreman and cattle attendant shall sign the ship's articles of agreement before the ship clears on her intended voyage, and be subject to the authority of the master, and the Inspector shall see that the eating and sleeping accommodations for the cattle attendants and foreman are as good as the same accommodations provided for the crew of the ship. Every ship's articles of agreement signed by the foreman and attendants shall clearly state the wages to be paid to each. The foreman and attendants must report themselves to the Inspector at least six hours before the sailing of the ship.

No. 11. Cattle will be tied with a rope not less than $\frac{5}{8}$-inch in diameter, which shall not be used more than once.

No. 12. False decks on which cattle have been loaded must be removed and the manure and dirt cleaned away before the ship receives another cargo of cattle.

No. 13. The Inspector may, in case he finds any of the fittings are worn, decayed or unsound, require the same to be replaced before he clears the vessel. He will also supervise the loading of cattle and see that they are properly stowed and tied and that all the requirements of these regulations have been complied with.

No. 14. Water condensers shall be on board in good working order and of sufficient capacity to provide eight gallons every twenty-four hours, of fresh cold water for each head of cattle carried, whether the ship is fitted with water ballast tanks or not.

No. 15. Live stock shall not be taken on board until the loading of the cargo has been completed unless the consent of the Inspector in writing to do otherwise is first obtained.

No. 16. The backs of pens are to be lined with 1-inch boards to the height of 4 feet, nailed to back stanchions on inside making the backs of the pens flush and smooth, if the Inspector deems it necessary.

No. 17. The work throughout must be well nailed and strongly put together, and to the satisfaction of the Inspector.

No. 18. If the ship is not lighted by electric lights, the Inspector should see that sufficient ship's lanterns are provided to light between decks, when live stock is carried.

No. 19. Passages must be left so that the scuppers can be reached and kept clean.

No. 20. Any disputes arising under these Regulations in regard to providing for the health, security and safe carriage of live stock shall be referred to the Minister of Marine and Fisheries, who may decide the matter; or the Minister may refer it to any person considered competent by him, and in either event the decision of the Minister, or of such person shall be final.

No. 21. For the better protection of the health of the live stock no cattle or horses shall be taken on board except cattle or horses which have been inspected and passed as regards health by a duly appointed Government Veterinary Inspector.

No. 22. Horses shall not be taken on board until the loading of the cargo has been completed unless the consent of the Inspector to do otherwise in writing is first obtained.

(2.) Stalls for horses shall not be less than 2 feet 6 inches wide in the clear for horses weighing 1,200 lbs. or less. For horses over 1,200 lbs. in weight, the stall shall not be less than 2 feet 8 inches in the clear. In every case the stall must be 8 feet deep.

(3) The materials used in the construction of stalls and fittings shall be of substantial character and of such dimensions as the Inspector deems necessary.

(4) The Inspector shall see that a sufficient supply of good food is placed on board ship for each horse, and that suitable arrangements are made for a sufficient supply of fresh water so that no condensed water shall be used. The fod supply shall not be less than 15 pounds of hay, 7 pounds of bran and 3 pounds of oats for each horse per day, and the Inspector may refuse to issue the certificate rendered necessary under the Act above referred to until the Inspector is satisfied as to the quantity and quality of the food on board for horses.

(5) Shippers of horses will require to furnish attendants to take charge of horses on board ship, and there shall not be more than eighteen in charge of one attendant. Shippers are required to notify the Inspector at least twelve hours before the sailing of the ship of the names of the attendants, and must furnish the Inspector with satisfactory evidence of their sobriety, experience, ability and general good conduct, and every attendant shall sign the ship's articles of agreement before the ship clears on her intended voyage, and be subject to the authority of the master, and the Inspector shall see that the eating and sleeping accommodations for the attendants are as good as the same accommodations provided for the crew of the ship. Every ship's articles of agreement signed by the attendants shall clearly state the wages to be paid to each. The attendants must report themselves to the Inspector at least six hours before the sailing of the ship.

F. GOURDEAU,
Deputy Minister of Marine and Fisheries.

Department of Marine and Fisheries,
Ottawa, March 1, 1904.

Hon. Mr. LOUGHEED.—How would that apply to the cases mentioned by the underwriters, that a great many of the Canadian ships are not insured ?

Mr. MEREDITH.—That is the hulls.

Mr. WATT.—The cargo is universally insured. I do not think the shipping of cargo uninsured occurs. The question as to whether the hull should be insured is a question for the owner.

Hon. Mr. LOUGHEED.—It has no effect on the cargo, in practice ?

Mr. WATT.—No. A number of the provisions for the loading of ships have been

attended to twenty or thirty years ago in Canada. We have at Montreal a port-warden who inspects the ship before any cargo is put in, and declares it is fit for a cargo. Before she can proceed to sea she must have the port-warden's clearance. Canada long ago, at the instance of the ships, provided that, and we are in that respect in advance of the Yankees. There are no such laws in the United States, and that is the reason why the Harter Act should be enacted there and not in Canada. In the United States the ships are not loaded under the supervision of an officer of the government. The shipping interests have promoted the legislation I have spoken of, and provided for a great many of the evils which existed and still exist in the States. I have talked of our contracts ; there is a question too of the government's contracts. The government has contracts, for instance, to South Africa, and they carry goods to South Africa under a very onerous bill of lading. We were formerly parties to that contract, and the bill of lading for South Africa is very different from the bill of lading between here and England. I do not think the South African business can be carried on in view of this legislation. I doubt whether a good deal of the other contracts the government has for West Indian and Mexican traffic, and for other traffic, can be carried on. There is a question of deviation there; you only permit ships to deviate to save life and property ?

Hon. Sir MACKENZIE BOWELL.—You say the government have contracts to carry to South Africa; how much more onerous are they than the other, and in what respect ?

Mr. WATT.—It is very lengthy. It allows the ships to call at one port and deviate whatever way they like, to call at any place they like in passage and do many other things our bills of lading do not permit.

Hon. Mr. LOUGHEED.—If you exempt yourself from liability under the bill of lading you have produced, where is the distinction ? You say one is more onerous than the other ?

Mr. WATT.—More onerous on the shipper. If there is anything requiring a remedy there is a good deal more in the South African contract than there is here.

Hon. Mr. LOUGHEED.—It seems to me if you exempt yourself from all liability you cannot make the conditions more onerous.

Mr. WATT.—We have a very drastic bill of lading from England here.

Hon. Mr. KERR.—What is the difference between the bill of lading issued from England here, and the bill of lading from here to England ?

Mr. WATT.—There is some difference. The bills on the file and the distinction can be seen.

Hon. Mr. KERR.—In what particular is the English bill of lading more drastic as compared with the one which you have shown here ?

Mr. WATT.—I am not posted on that.

Hon. Mr. KERR.—Practically, these items we have been discussing have been excluded ?

Mr. WATT.—Some are in the English bill and some are not.

Hon. Mr. KERR.—Nearly all of them are excluded.

Mr. WATT.—The Canadian bill of lading is based on the experience of the Canadian lines ; the English bill of lading, I suppose, is based on the experience of the English lines.

Hon. Mr. KERR.—Is it a reasonable thing that goods shipped from England to Canada should come under a more drastic bill of lading than Canadian goods, raw material, such as flour, and delicate articles of produce going to England.

Mr. WATT.—As a matter of fact, cargo carried from England is more subject to damage and heavy loss than cargo going from here to England.

Hon. Mr. KERR.—But the bill of lading is not more drastic.

Mr. WATT.—I am not sure that it is not. It is different. The bill of lading here suits exports from Canada; the bill of lading from England suits exports from England. When this African bill of lading was introduced I put a margin on it that this bill of lading was based on the English bill of lading to South Africa, and the con-

ditions are very much the same as the conditions on the bill of lading from England to South Africa. The reason why this is put on is that this is a new departure. Our bills of lading are not very old. We particularly ask shippers to note the bills of lading and to cover themselves. I have a number of other bills of lading here.

Hon. Mr. Ross (Middlesex).—Have you a copy of the bill of lading given by English vessels carrying goods to Canada?

Mr. Watt.—We have bills of lading from Havre, Glasgow, London and Liverpool.

Hon. Mr. Lougheed.—I should like to know if in your Canadian bill of lading you exempt the owner or the ship from all liability, practically, for the carriage of goods, wherein can you make a bill of lading more onerous? You speak of more onerous bills of lading from England to——

Mr. Watt.—If you take the trouble to read it you will see that it is a great deal more onerous bill.

Hon. Mr. Lougheed.—Perhaps you can state it shortly.

Mr. Watt.—It is so long since I had to do with it, that my memory will not serve me.

Hon. Mr. Lougheed.—If the shipper has no redress against the ship——
dollars on the goods.
goods.

Hon. Mr. Beique.—If the committee wish the record of the proceedings to be useful and not unnecessarily cumbersome, I would suggest that it be limited to such clauses of the bills of lading as are read by one party or the other.

Hon. Mr. Domville.—As I am not a member of the committee, and have no vote, I think it would be fair to have these documents printed, so that when the matter comes before the House, honourable gentlemen who are not members of the committee will have an opportunity of reading the whole thing and be able to give an intelligent vote.

The Chairman.—As there seems to be a difference of opinion as to whether these bills of lading should be printed or not, I will take the sense of the committee.

The committee divided on the question, and decided that the bills of lading should not be printed.

After some discussion it was decided that the committee should meet again after the Senate adjourned this afternoon.

Mr. Watt.—I think I have gone over all the complaints contained in this Toronto letter, except perhaps the last one, which says that the agent of the ship to have the option or forwarding cargo, on after-deck at the shippers' expense and risk. That is a clause very like the others, to draw attention to the fact that the flour may be lightered to the ship and lightered from it. The responsibility of the ship ceases after she delivers the flour. The traffic is usually taken to London in the consignee's lighters. 'On deck' is a technical expression. Nearly all the inland craft have what they call 'on deck.' We think that should be covered. When the Department of Trade and Commerce were good enough to send us copies of these documents, we wrote for the information of the minister a sort of reply to it. It is not very long, and I think I would like to file it with the committee.

D.A.W. February 19, 1908.

F. C. T. O'Hara, Esq.,
Acting Deputy Minister of Trade and Commerce,
Ottawa, Ont.

THROUGH BILL OF LADING FORMS.

Sir,—We are duly in receipt of your favour of date January 20, 110384, covering copy of a 'circular' purporting to emanate from the 'London Flour Trade Association E.C.,' January, 1908, an organization unknown to us as is also the 'Canadian Federation of Steamship Lines.' Possibly the latter term has reference to 'The Chamber of Shipping' at 5, Whittington avenue, Leadenhall street, also London E.C.,

which is, we understand, charged with the consideration of the matters referred to in the circular.

One other copy of this circular has reached us from our customers, Messrs. The Western Canada Flour Mills Company, whose letter of explanation is inclosed herewith. You will note that replying to our inquiries they report that they have not suffered loss by reason of the terms of our bills of lading that these terms have been objected to only at London, and that their marine policy for United Kingdom business is for 'all risks.'

In our experience London is the most obscurent and antiquated port with which we do business. Consignees there continue to force the medieval customs of former days on modern steamships, and in some cases they succeed in doing so. A year or two ago they coerced the Atlantic port lines at London into giving special terms respecting grain deliveries, and have on more than once endeavoured to procure special terms for flour deliveries. In the present circular you will note that the London steamship agencies are, alternatively invited 'to enter into an agreement with my association, by which these objectionable clauses may be considered null.' The place to discuss, and if possible agree on a course, is London, as in the case of grain deliveries and not in Montreal. We are not advised that this course has been followed in the present case. The Canadian lines were not parties to this grain agreement.

In May last the export department of the Canadian Pacific Railway sent us a complaint from one of the Minneapolis milling firms, to which we replied as by the enclosed copy. From the similarity of wording we infer that both complaints originate from the same London source, and that the present is merely an amplified edition of the other. Beyond this complaint and that sent us by the Western Canada Company, nothing has yet reached us from any of our shipping customers of a similar tenor, nor from our London agents, although the complaint, while professing to be general, originated there and is being pushed from that and from no other port, British or continental.

Some of the trouble in connection with export flour arises from the change of package from barrel to sack, doubtless for economy's sake. The barrel was well fitted to carry the contents in safety for both home and export trade, but the sack is often ill-fitted even for the home trade and is seldom fitted for the export trade, the fabric being frequently of so flimsy a texture as to be insufficient to carry the contents in safety in view of the handling incident to the inland and ocean transport and to its forming part of general cargoes during the ocean transit. The flour interests ask that sacks be not piled more than four high lest the bottom tier burst, nor stowed in proximity to deals or lumber, nor stowed over grain, lest the latter should heat, nor in the same compartment with apples and so forth. We have frequently recommended flour shippers to avail themselves of the common right to charter vessels for their special trade, loading them and handling them at their discretion.

In recent years, however, the underwriter has intervened, covering all risks from the mill to the bakehouse or warehouse, thus relieving both shippers and ship from all risks while the goods are in transit.

Respecting through bills of lading, we should perhaps explain that we are accustomed to issue rate cards week by week, giving quotations at which we are ready to book export cargo to be brought to us by other carriers from points throughout the continent and beyond. The documents issued therefor are given by the connecting carriers, and are, as regards them, subject to the laws of the province, colony, state or country of the point of shipment. On the other hand, it is deemed important that the entire cargo of each vessel should be subject to the same conditions of transit while on the Atlantic voyage between the ports of loading and discharge, and this is in a measure attained by the two 'blanket' clauses complained of, to wit, (1) that the terms of ship's local contract govern through as well as local shipments, and (2) that the law of England applies to the terms of Atlantic carriage in any event. It is also important from the shipowner's point of view that he should only have one bill of lading form for all descriptions of cargo laden at either of his ports of shipment on

this side for delivery at either of his ports of delivery in Europe. This new London demand is that a special bill of lading be given for a single commodity, flour, destined to a single port, London.

For years back English legislation has been promised to place the port of London in line with the British and continental ports, and to this end a ministerial Bill is progressing through the imperial parliament durng the present session. Its fate remains to be seen.

We add a few hasty notes on the various paragraphs of the circular, numbered in order:—

( ) This is a futile objection. We probably carry more London flour locally shipped than we carry on through bills of lading, and our local millers and shippers have not found our documents to be 'practically valueless.' Moreover, none of our inferior shippers have formulated any such charge.

( ) 'Hook marks,' etc., does not apply to [illegible] but to other package cargo; and, in any event, the consignee is protected under his 'all risks' marine policy.

( ) It is somewhat odd to find a Londoner objecting to English law.

( ) There is nothing in this. An ocean carrier is not an inspector of the produce carried by him. His contract requires him to deliver at London the identical goods given to him at Montreal, and in the same order as received. The general rule of affreightment is 'that the ocean carrier shall not be concluded as to the correctness of statements of quality, quantity, gauge, contents, weight or value.

( ) This clause is a protection to the Canadian shipper (and also to his banker), some serious losses to whom have come under our notice, in cases when the miller had inadvertently or otherwise inserted his buyer's name as consignee instead of his own or his banker's name. We have a clause in the Banking Law requiring the surrender of the documents, but are informed that it cannot be enforced. Moreover it is not intended that these documents should pass from hand to hand at London, whether for security for loans of money or otherwise.

( ) Does the consignee want to get paid twice over, first from the underwriter and again from the ship.

( ) Flour is not lightered from the ship at Montreal or other of our loading ports,. It is lightered at London where it is the duty of the consignee to find the craft, and it is within his competence to stipulate that the flour shall be placed under deck.

( ) The qualifying stipulation that the shopowner is required to use due diligence to provide a seaworthy ship for the conveyance of the goods remains unquoted by the honourable secretary of the association.

This letter and these notes are for the information of the minister as requested by you, and are not for communication to the London Flour Trade Association. A complaint made to us by any Canadian shipper will, however, meet with prompt attention at our hands.

We are, your obedient servants,

H. & A. ALLAN.

This is a very far-reaching Bill, and I do not know where it is going to end. The millers think they have got the ships just now, and the bakers will get them after a while.

Hon. Mr LOUGHEED.—Have you any personal knowledge of the representative character of the London Flour Association ?

Mr. WATT.—I have not heard of them. They have not honoured us with any lettters or communications.

Hon. Mr. LOUGHEED.—You do not know to what extent they represent the flour business.

Mr. WATT.—No, I do not, but I think the flour interest would ask to be given all risks bills of lading, instead of all risks insurance.

Hon. Mr. LOUGHEED.—Do you know whether there was an incorporation of the association ?

Mr. WATT.—I have no knowledge of them. Our people in London had never seen the document, and nobody ever approached them to discuss it.

Mr. MEREDITH.—I was asked by the Hon. Sir Mackenzie Bowell as to the bounty on American ships. I have found the information, and it is contained in a volume entitled: Report from the Select Committee on Steamship Subsidies, together with the Proceedings of the Committee and Minutes of Evidence. Ordered by the House of Commons to be printed August 1, 1901.'

And I see in the Appendix No. 14, which is printed in that volume, United States, at the top of the page are the words : 'Government assistance given to foreign mercantile marine.'

'United States, coasting trade, including trade to Hawaii and Porto Rico, restricted wholly to American vessels.'

'Bill of 1891; foreign trade.

'Any American vessel of over 500 tons will get for voyages with cargoes to and from foreign ports, thirty cents per ton for each 1,000 miles sailed for ten years and after that for nine years, a reduction of three cents per year.'

And then below I find 'Mail Subsidy Bill, divided into four clauses. Subsidies will be paid for outward voyages by the shortest practicable route.'

'First class, four dollars per mile.

Second class, two dollars per mile.

Third class, one dollar per mile.

Fourth class, two-third dollars per mile.

A new Bill was discussed in both Houses this year, to further assist the mercantile marine.'

I may say I asked a friend of mine to wire to his lawyer in Washington to obtain information on this point, and the answer was to this effect :

'Post Office Department say it will take some time to get at figures of annual bonuses paid American steamship companies, but information is contained in annual report of Postmaster General under the heading of "Assistant Postmaster General" copies of which are sent annually to Post Office Department, Ottawa.'

Mr. DUCLOS.—May I ask the committee to hear the representative of the Robert Reeford Company and the Donaldson Line. I propose to ask him if he has heard what Mr. Watt has said, and if he is prepared to agree or to differ.

Hon. Mr. FERGUSON.—I think the witnesses should follow some line and answer questions, and in that way will get at facts. When Mr. Watt was asked a question, he would go around the earth with a speech, and the question was lost sight of. I think it would be a good idea to take up clause 4 of the Bill, and let the gentlemen make objections to that clause. That is a distant provision and we should know what is to be said against it.

WILLIAM I. GEAR, of Montreal, Vice-President of the Robert Reeford Company, Limited, representing the Thompson & Donaldson and other lines, appeared before the committee.

Mr. MEREDITH.—I would ask you, Mr. Gear, you have heard what Mr. Watt has stated to the committee in opposition to the Bill which is under consideration?

Mr. GEAR.—Yes.

Mr. MEREDITH.—Can you, speaking generally, concur in his statements?

Mr. GEAR.—I do.

Mr. MEREDITH.—Have you anything to add to it?

Mr. GEAR.—There is one point I would like to add, I think it is in reference to clause 8, which has not been very fully touched upon, and that is where you require notification to be given to parties on the other side of the Atlantic when a steamer arrives. Before leaving Montreal this morning I specially turned up documents to see if that notification was on all bills of lading, and I found a great number of bills

of lading that the clause was not on; that is the notification clause, I presume, because shippers do not wish to have others know just what they are doing. I found it upon various bills. I found it on flour bills, one shipment being made, going out for London this week, where it was omitted, I presume, because the shipper did not want other people to know to whom the goods were going. We are absolutely depending on the consignee on the other side applying for the goods, and therefore we cannot notify them. I thought this explanation might be of benefit to the committee.

The CHAIRMAN.—How do the consignees become aware that the goods are at their destination?

Mr. GEAR.—We hold the goods until the party applies for them and then we collect the freight.

Hon. Mr. CAMPBELL.—It is proposed to make a little amendment to that clause. If the consignees are not named, of course the steamship companies cannot notify them. In a case such as you have mentioned, how is the destination of the shipment to be fixed?

Mr. GEAR.—Either the simple words 'order of the shipper' or 'shipper's order.'

Hon. Mr. LOUGHEED.—It might be the order of the shipper?

Mr. GEAR.—It is the order of the shipper. Sometimes it is to the order of the shipper, or the shipper's order. I should like to refer to that, and to emphasize, as it may not be known here, in regard to the trade in reference to the question of deviation. He referred to the deviation of ships on voyages. I should like to say that there is a deviation takes place right in the River St. Lawrence. That is, we have a steamer under charter now that is going to load a cargo at Quebec, proceed to Murray bay and return to Three Rivers. That would be in direct violation of the clause in this Bill as proposed. I am going to show that you cannot make a hard and fast rule which is going to restrict a ship so that she cannot deviate, but that she must proceed geographically upon her voyage. I refer to clause 6 of the Bill.

Hon. Mr. LOUGHEED.—This clause would not exclude your right of deviation.

Mr. GEAR.—It might, sir.

Hon. Mr. LOUGHEED.—It says 'unless the contrary intention appears.' All you have to do is to express the contrary intention.

Mr. GEOFFRION.—We are not exempted in the absence of the stipulation to the contrary. We are exempted if we deviate to save life and property. There is nothing to say we are exempt if we deviate for other reasons.

Hon. Mr. LOUGHEED.—Under clause 6 you can deviate.

Mr. GEOFFRION.—Clause 6 does not allow it.

Hon. Mr. KERR.—I think the clause is all right.

The CHAIRMAN.—It is an exemption to the ship. It is not a hardship to the ship.

Mr. GEOFFRION.—It is an exemption if the deviation is to save live and property. For no other purpose are we exempt.

The committee adjourned to meet after the House rises to-day.

The committee resumed at 8 p.m.

Mr. VICTOR E. MITCHELL.—I represent the United Kingdom Mutual Steamship Assurance Association, Limited, the Standard Steamship Owners and Protection and Indemnity Association, Limited, of London, the Furness-Withy, Limited, and the Manchester Liners, Limited. I have been instructed to place their views as briefly as possible before you. This Bill is one of very far-reaching importance, probably more far-reaching than many of us imagine. It affects a very important industry, the shipping industry, without the hearty co-operation and support of which the trade of the country might be retarded. It restricts the liberty of private contract. Laws from time immemorial in all maritime countries have been exceedingly favourable to the shipowners. The reasons for that are obvious. To build ships requires the expenditure of a large amount of capital. There are many men who are bold and fearless and willing to man ships, but they have not the capital. The capitalist comes forward to provide the ships. For this reason the countries have always favoured the shipowner. I think, in this connection, I can hardly do better than to read the

remarks of an American judge in a case decided in the early part of the last century. He said:

'The great object of the law was to encourage shipbuilding and induce capitalists to invest money in this branch of industry. Unless they can be induced to do so, the shipping interests of the country must lag and decline. They have plenty of hardihood, daring and enterprise, but they have little capital.'

And he goes on to show that without capital the shipping interests could not thrive.

It seems to me this Bill is calculated to do that very thing, to render the shipowners liable for an indefinite amount, which, of course, is not in the interests of the shipping industry and not in the interests of the trade and commerce of this country. It affects the liberty of private contract. It says to the shipowner, and not only to the shipowner, but it says to the merchants of the country, 'You cannot enter into contracts, even although you are willing to do so.' It seems to me that the merchants of this country do not require any such protection. Certainly the shipowners have not asked for any such protection, but rather I suppose it would seem that the merchants are asking for protection against the shipowners; but I think before the merchants should come to the parliament of Canada to ask for relief, they should, at least, show that they have some grievances for which they have failed to obtain redress from the shipowners. In other words, this legislation is in a sense socialistic or communistic. It is not only the flour millers who, I understand, are the active movers in introducing the Bill—but there are other large and important trades involved. They have not come before the committee and urged their views. And the representatives of the flour industry have not brought any specific instance whereby their interests have suffered. But the impression made upon this committee has been caused by reading a bill of lading which is the result of the experience of the shipping industry for many years. Of course any one who reads the Bill for the first time considers the conditions somewhat startling. One admits that. But we must look to see whether they are rendered necessary; and, as I am instructed by the manager of these indemnity associations, they have been rendered necessary by reason of the preposterous claims which from time to time have been made upon the shipowners by the shippers of goods. In a letter from the Steamship Owners Protection and Indemnity Association, Limited, to me, the manager of this association states:

'It is the infamous claims which have in the past and are to-day put forward by merchants against shipowners which have made it necessary for shipowners to go on increasing the exemptions in the bill of lading. As managers of the above association we can testify to this. We have recently had to deal with a claim for damage to maize amounting to £13,000. The maize was undoubtedly shipped 'green,' which of course the master, not being an expert, could not detect, but the vessel was held liable on the ground that she was improperly ventilated, though she has carried several cargoes before and since and delivered them in good condition. We have another claim for frozen meat. The carcasses were improperly frozen, but the wrappers covered up their improper state and the shipowner is being sued for the value of the cargo.'

Hon. Mr. KERR.—This proposed change would not deal with that in any way. Not with either of these cases.

Mr. MITCHELL.—But it puts the shipowner to the necessity of defending the action.

Hon. Mr. KERR.—But the man who shipped the goods which were green would have no claim. You might have difficulty in furnishing your proof, but you would have that anyway. This Bill does not alter the condition as to that.

Mr. MITCHELL.—I am not prepared to say what the effect of this Bill will be.

Hon. Mr. KERR.—But the cases you represent are cases not within the Bill that we are considering; they are cases outside of it.

Mr. MITCHELL.—I am simply citing it to show why the bill of lading reads as it does to-day. It puts in plain English what the shipowner wished to be protected against, and if you consider that the shipowners in the past have had to face these preposterous claims, it is a good reason for having the bill of lading as it is to-day.

Hon. Mr. McMillan.—What was the result ?

Mr. Mitchell.—The shipowners were mulcted in each case.

Hon. Mr. Kerr.—The shipowner could not show that the goods were in proper condition.

Mr. Mitchell.—No. And it is impossible for the master to examine. He is not a grain expert. The conditions of commerce have changed. It is very different now from what it was before. We have large ships here. The shipowners invest large amounts of money to provide a ship suitable for the trade, and those ships carry a very large tonnage of cargo. It is absolutely impossible to check every pound of freight which goes upon the steamer, and you cannot expect the master to be an expert in grain, to say whether it is in good condition or not; but the master of the ship having signed that he had received it in good order, it is very difficult to escape responsibility when it is brought into a court of law. I mention this to show why the bill of lading is framed as it is to-day. Then on the question of marks, there is another case cited.

'We recently had a case in respect to a cargo of lumber from a United States port where the master had signed the bills of lading, which had been made out by the shipper who represented that he had put on board some thousands of wood planks bearing certain marks. On arriving at the port of destination the planks were found to be differently marked to the bill of lading. The difference in the marking was, however, slight and could easily escape the notice of the captain, as, for instance, 'A,' instead of 'A.*' Practically the whole of this cargo was thrown upon the hands of the shipowner. He had to sell it for what it would fetch, and pay the consignee what they contended was the market price of the wood. Needless to say, endless complications arose as to the price of the various sizes and marks, and in the end the shipowner was mulcted in a heavy loss. If the captain is bound to sign for marks, the Bill should certainly provide that the marks should be of a certain size, say not less than two inches in length.'

I just mention this to show the difficulty the shipowner is under. The shipowner furnishes the capital. He provides a ship which is seaworthy, and it is inspected, and it leaves the home port after obtaining the certificates. It is manned with the proper crew and sent out to a foreign port, and the cargo is discharged there, and the shipowner has to engage the best class of men available and because some of the stevedore's men are negligent in the handling of the goods this Bill, says the shipowner, must pay the piper. The old theory of shipping was that not only the shipowner, but the owner of the goods had entered into a joint enterprise—both have to contribute—and it seems hardly fair that for the present rate of freights the shipowner should be expected to become, not only the carrier, but the actual insurer of the goods, and that is what the Bill provides.

It makes the shipowner the insurer of the goods. I submit that is not reasonable. I submit it is not right.

Hon. Mr. Campbell.—Do you insure the goods from Portland and Boston?

Mr. Mitchell.—I am not talking of insurance at present. I am speaking of what is the fact. The rates of insurance between the parties is another matter altogether. Let us regard it from the shipowners' standpoint. The question of insurance can be dealt with later. You have brought up the question of insurance, and I would like to say that if the shipowner can insure so can the shipper of the goods, and really the only question at issue is who should insure against these risks? I submit, on the question of insurance, undoubtedly the shipper should insure, and particularly when we have made evidence that the shipper can insure without extra cost to himself, and it has been shown by the testimony of Mr. Watt and of Mr. Loines that the shipowner would have to pay an additional insurance if you put these responsibilities upon him.

Hon. Mr. Campbell.—The question I asked you was, under the Harter Act these additional burdens are put upon the shipper; do you insure the cargoes from Boston, or Montreal, or New York?

Mr. Mitchell.—I am not a shipping man.

Hon. Mr. CAMPBELL.—You know you do not?

Mr. MITCHELL.—As a matter of fact, I do not know, but I think that is irrelevant to the principle we are discussing. I am now considering the principle of the Bill, and I think that is what you should consider. You know this is, in a measure, socialistic legislation, and before the parliament of Canada embarks upon legislation of that character, it should be assured of the necessity for it. Since you have mentioned the Harter Act, I would venture to state that this Bill is an attempt to follow the legislation in the United States and of the Commonwealth of Australia, disregarding the legislation of the important maritime nations of Europe and Great Britain. And the draftsman of this Bill has been exceedingly skilful in incorporating into the Bill which is before you practically all the conditions of the Harter Act and of the Australian Act, and, in addition, has added several clauses so that you want to put the poor unfortunate shipowners who send their ships to Montreal under greater disabilities than the ships which go to the United States or Australia, notwithstanding that the United States ports are practically free ports. You know that we have to pay more insurance on the St. Lawrence route, and the charges are very heavy.

Hon. Mr. JAFFRAY.—Can you point out the clauses in this Bill that go beyond the Harter and Australian Acts?

Mr. MITCHELL.—Well, I could, but I do not propose to do so. I have them both here. They are incorporated here. For instance, in regard to the additional clause dealing with notification, it is in neither of those Acts—clause 8 of the Bill—which compels the shipowner to give notice to the consignees; but taking my statement for granted that you have incorporated practically the provisions of both those Acts, and also added additional clauses, you will see at once that that is not a fair or proper position in which to place the shipowners who send their ships to Montreal.

Hon. Mr. JAFFRAY.—But you must not ask us to take that for granted, unless you can show it.

Mr. MITCHELL.—I could show it; but it will take some time.

Hon. Mr. SULLIVAN.—You can put it in to-morrow.

Mr. MITCHELL.—We will certainly file a statement showing the point I have suggested, which I believe is perfectly correct, is it not, Mr. Meredith?

Mr. MEREDITH.—I think I would characterize the Bill as being partly Australian, partly the Harter Act and partly new, the result of which is to make the Bill before the committee more objectionable than the Harter Act by far.

Hon. Mr. JAFFRAY.—My object in asking for that is that if these objections were pointed out, and the committee considered the provisions of the Bill unreasonable, or that they went too far, we would amend the Bill.

Mr. MEREDITH.—If the committee decide to pass the Bill, I presume then that the only thing left for us to do is to offer amendments, and when the amendments come up the whole history of the Bill that is before us, where each clause comes from, will be dealt with. I do not know whether I make myself understood. If it is the wish of the committee for us to show where each clause of the Bill now before us comes from, Mr. Mitchell or I could do it at once. Perhaps the committee would prefer to have that done later.

The CHAIRMAN.—I think we should allow Mr. Mitchell to proceed.

Hon. Sir MACKENZIE BOWELL.—I would suggest that you compare them and show the difference.

Mr. MITCHELL.—I am not positive that every clause in the Australian Act is incorporated, but I think practically it is there. It strikes me you have taken the two Acts, and taken clauses out of both Acts, and added additional clauses which make it more onerous for the shipowners.

Hon. Mr. MCMILLAN.—You cannot point out the clauses.

Mr. MITCHELL.—We will do it later. I have mentioned one, clause 8. I do not think that appears in either the Harter or the Australian Act, and that is a very onerous clause. It is extremely difficult for the shipowner to notify the consignee.

Hon. Mr. MCMILLAN.—Tell us how it becomes onerous?

Mr. MITCHELL.—Because it is very difficult often to know who the consignee is. The bills are made out to the shipper frequently.

Hon. Mr. KERR.—If you are going to ship goods by a vessel, you do not see the vessel. You have no means of seeing it. You live 500 miles away from the seaport, and you propose to ship some goods by a vessel. You assume, of course, that the vessel is in good order, and kept properly as a vessel ought to be kept, and that there is nothing about it that will contaminate goods, and you are shipping perishable articles. Would you think it a reasonable thing to be told by the receipt which was issued to you that the ship was relieved of all the responsibility for damages which in consequence of the condition of the ship's hold was to be thrown on you?

Mr. MITCHELL.—I think that is proper.

Hon. Mr. KERR.—But you assume you are going to ship in a clean ship, and they turn around and say: 'No matter how negligent we are, no matter how much the hold of the ship is tainted, no matter what we have in it, if it is going to destroy the value of your goods, which we take from you in good condition, you must stand the consequence of that, and you are responsible.'

Mr. MITCHELL.—We know very well that that is not the case.

Hon. Mr. KERR.—By this bill of lading the owner of the ship is relieved from damage to goods arising from the harmful or improper condition of the ship's hold, and they might foul the ship as much as it was possible——

Mr. MITCHELL.—But they do not do that.

Hon. Mr. KERR.—But they may do it. They do not always do it, but supposing they had neglected it, and they put your goods down in that hold, you leave the shippers no escape at all. There is no qualification about knowledge, notice or anything else. They have no notice of it, and you can take their goods and put them in a hold like that, and they are destroyed in an hour or two hours.

Mr. MITCHELL.—From one point of view you may say that is very objectionable.

Hon. Mr. KERR.—Yes, and there is another clause relieving the shipowners from responsibility for negligence arising from the negligence or fault of the men in regard to the proper custody, stowing or delivery of the goods. If you do not use ordinary or proper care, why should the man who has trusted you with those goods five hundred miles away, who is not there looking after them, who has handed them over to you and said 'I leave the responsibility in your hands' and in loading them, you are guilty of negligence, fault and failure, yet when the goods are injured and destroyed, there is no responsibility cast upon you.

Mr. MITCHELL.—As I have already stated, the shipowner who has sent his ship out from Great Britain to be discharged and re-loaded at a foreign port has to avail himself of the labour that is on hand at that port.

Hon. Mr. KERR.—Why is he entitled to a clause which protects him absolutely? I know it would not pay him to have his ship in bad condition, but rats may have got into the ship and infested it. That is not the fault of the man who ships his goods. And poisons may have been in the hold, which were put there for the purpose of purging the ship.

Mr. MITCHELL.—He can insure against these things.

Hon. Mr. KERR.—But has he not the right to trust you to carry them over in a proper vessel?

Mr. MITCHELL.—Take the conditions as they exist to-day. You must consider the rate of freight. If in the past these obligations had been imposed upon the shipowner you would find the freight rate would be exceedingly high. It is somewhat curious that the people responsible for bringing this Bill before you deal with a form of freight in which the lowest charge is made. Flour is shipped at an exceedingly low rate.

Hon. Mr. KERR.—I am talking of perishable goods.

Mr. MITCHELL.—Flour is extremely perishable.

Hon. Mr. KERR.—I ship a lot of flour or perishable goods requiring care, and you

stack them in among the stables and horses, and the excrement immediately destroys the goods.

Mr. MITCHELL.—That is done by the servants of the shipowners, and they say that we cannot be held responsible for the negligence of our employees.

Hon. Mr. SULLIVAN.—How often are your ships inspected? Every year?

Mr. MITCHELL.—Certainly. Each ship is inspected before it leaves port.

Hon. Mr. SULLIVAN.—Then it cannot be in that condition?

Mr. MITCHELL.—Those clauses are broader than there is any necessity for. I think the shipowner could be protected if those clauses were made less objectionable than they are.

Hon. Mr. KERR.—You might as well put in that you would not be liable if you set fire and burned them up, as to say you should not be liable if you put them in where there was stabling.

Mr. MITCHELL.—I do not think ships are exempt from responsibility for their wilful act.

Hon. Mr. KERR.—It is not limited. The word 'intentional' is not inserted there.

Mr. MITCHELL.—I think there is no doubt about it, that it would not exempt the shipowner from his wilful act or default.

Hon. Mr. KERR.—What reason is there why you should be permitted to go on using those sweeping clauses dealing with the rights of property of people who have no notice of what you are going to do.

Mr. MITCHELL.—From the point of view that this is a joint shipping enterprise. The shipper knows as well as the shipowner that these goods are at the mercy of the men whom the shipowner employs, just as the shipowner is at the mercy of the people he places on board his ship to man it. He says: 'You must run your risk. I run my risk in regard to the ship and you must run your risk in regard to your goods. They are both in the same position.' Both parties can insure against those risks. That has been demonstrated. Any one reading these clauses would say they were preposterous, naturally, on the mere reading of the bill of lading, but that does not justify the passing of this Act, unless the gentlemen who are introducing the Bill come forward and show that they have been unable to obtain redress. It is rather curious that these bills of lading exempt the shipowners absolutely from any fault or negligence on their part, and there are so many actions in court every year. We know very well that that is not an absolute bar. There is this clause, for instance; take the Allan Line——

Hon. Mr. KERR.—Don't you beg the question, to be really candid about the matter, when you talk about this being a matter of contract, and parties having notice and all that? I take goods down to a station and ship them by rail and receive a bill of lading, and you assume that those are terms on which the goods are going forward, and instead of setting out all these things which you speak of, they have one little comprehensive clause there that the goods are taken subject to whatever conditions you may choose to impose on the shipper, and without any knowledge of any kind the shipper finds his goods are consigned on a contract of that kind. It is a great strain to deal with it as a contract. It is a contract, I admit. You say these are the terms on which you take the goods, and you say that without the shipper ever seeing the bill of lading, and he may not receive it till a week after the goods are sent.

Mr. MITCHELL.—The form of the bill of lading is well known.

Hon. Mr. KERR.—It is now.

Mr. MITCHELL.—Mr. Campbell's bill is intended to protect large shippers and not the little man who makes an occasional shipment, because I do not think you intend to legislate in that direction. It is useless for any shipper of goods from Canada to Great Britain to say he has not any knowledge of the bills of lading, because if he made that statement I do not think you would accept it.

Hon. Mr. KERR.—A man shipping from the Northwest, receiving that kind of a contract, is to be bound by the law of England, which says: 'This is a contract, and

if the parties send their goods under such a contract they are chargeable with the consequences.'

Mr. MITCHELL.—I consider that a most reasonable contract. The goods are sent from here, consigned to parties in England, and I think it is a most reasonable condition that the delivery of the goods and the rights of the parties should be governed by the law of England. When a shipper ships goods they are at the risk of the consignee. The consignee is in England, or at the port of destination of the goods. He is told that his rights are to be governed by the law of his own country. The way the Bill is drafted is that this is to be governed by the law of the original port of shipment. The consignees in England would not know what their rights were. Some of the shipments would be according to the laws of Ontario, or Manitoba, Quebec, or any other province in Canada. I think it is a reasonable provision to require that their rights shall be governed by the law of England. I think the Bill as drafted requires drastic amendment to make it at least according to the law of one province in Canada, say the province where the goods are placed on board the ship, otherwise the consignee does not know what his rights are; but I think it would be extremely unwise to change that very reasonable rule which you have found in bills of lading wherever British ships go—bills of lading issued in foreign countries, not British colonies. Where the goods have been shipped to England, I think that you should have evidence that the people of Great Britain object to that clause, because they are much more concerned than the people in Canada.

Hon. Mr. MCMULLEN.—The bill of lading that is used is the bill of lading that is issued by all the steamship companies that ship from Canada. The same form of bill of lading is adopted by all the steamship companies, is it not?

Mr. MITCHELL.—Practically the same form. There are a few changes. The Allan Line bill of lading differs from some of the other bills.

Hon. Mr. MCMULLEN.—This bill of lading is submitted to every shipper, and he is expected to accept the provisions of that bill of lading. You stated that this Bill interfered with that right of private contract, did you not?

Mr. MITCHELL.—Yes.

Hon. Mr. MCMULLEN.—You lay down a cast-iron form of bill of lading which has been adopted by all the shippers of Canada, and you give the Canadian shipper the choice of taking that or nothing?

Mr. MITCHELL.—For the sake of argument, I admit that.

Hon. Mr. MCMULLEN.—Where is the right of private contract? You submit something which he has to accept or get nothing.

Mr. MITCHELL.—But the steamship owners are not in the same position as railways. That is where many honourable gentlemen on the committee have been led astray in considering the question. Railways obtain valuable franchises from the legislatures, and not only valuable franchises, but they obtain considerable financial assistance. They are bonused for every mile they build, not only by the federal, but by the local legislatures. Many of them have received grants of land. Their bonds have been guaranteed by the government, but steamship owners are not in that position. If, in return for all these considerations, the government makes certain stipulations and says: 'We, in return for these franchises and for these benefits, will subject you to certain regulations,' that seems right and proper, and it is, as a matter of fact, a matter of contract between the incorporators of the railway company and the government, and they become common carriers. But the steamship owners are in a different position, and they do not receive government assistance and do not ask for any franchises. They are on the high seas. Any one can build ships. They are subject to competition which the railways are not subjected to, and I would like to point out in this connection that it is open for the millers to build their own ships and sail them, or charter a ship and run it under any conditions they like, but if they will not charter their own vessels, but go to the steamships which voluntarily run to Montreal——

Hon. Mr. KERR.—The steamship is not bound to take the freight.

Mr. MITCHELL.—No, and we say we will take it on the terms of the bill of lading.

Hon. Mr. KERR.—But if you do not take it on the terms of the Bill we are passing now, you need not.

Mr. MITCHELL.—That is quite true, but is that what you are aiming at, to prevent ships coming to Montreal ? I understood it was the effort of the country to increase the facilities of the shipping from Montreal. What can this country do without shipping facilities ?

Hon. Mr. KERR.—Is this bill of lading the same as the one your company uses and issues in all parts of the world ?

Mr. MITCHELL.—No. They are compelled by the Harter Act to give something else in the United States.

Hon .Mr. JAFFRAY.—As we understand it, all that is desired by this Bill and all the committee wish to accomplish is that you give the same bill of lading as the Cunard Shipping Company and other shipping companies in the United States give, and surely if they can ship from the United States under these bills, there cannot be such a difference in regard to hardship as between Canada and the United States.

Mr. MITCHELL.—I would like to repeat that the conditions of ships sailing from New York are very different from the conditions of ships sailing from a Canadian port. The dues payable at those ports in the United States are very much less than the dues payable at the port of Montreal. The insurance on the hulls sailing on the St. Lawrence is twice as much as the insurance paid on other routes. Another thing about the Harter Act; it is an attempt by a foreign legislature to penalize British shipping, and you must remember the American government——

Hon. Mr. KERR.—No, rather to protect American shippers.

Mr. MITCHELL.—At the expense of British shipping, and it has already been shown that the American government is giving bonuses for the purpose of facilitating shipping, inducing shipowners to build ships in the United States.

Hon. Mr. JAFFRAY.—According to your statement, the Harter Act would only be against British shipping?

Mr. MITCHELL.—Foreign shipping.

Hon. Mr. JAFFRAY.—Does it not apply to American shipping ?

Mr. MITCHELL.—Yes, but I have pointed out other considerations—that they receive bonuses from the government.

Hon. Mr. JAFFRAY.—That will not stand. They could give bonuses without the Harter Act.

Hon. Mr. KERR.—They did give them before the Harter Act.

Mr. MITCHELL.—They may have done so, but it is somewhat strange that at this time, when we wish to build up the St. Lawrence route, you should place an additional burden upon ships.

Hon. Mr. KERR.—Supposing instead of having all these long conditions, you had one condition only, and that condition was simply this : 'We will take your goods and carry them across the Atlantic if we can, and deliver them if we can. If for any reason we cannot, or if for any reason we do not, we are to be free from responsibility. You have to trust us.'

Mr. MITCHELL.—I do not admit that that is the fact.

Hon. Mr. KERR.—You will very soon have it that way, if you keep on adding. But this Bill proposes to stop that.

Mr. MITCHELL.—Should that be the object of legislation. Has it been shown to this committee that any negotiations have been had with the steamship lines in reference to this matter?

Hon. Mr. KERR.—I do not know anything about that.

Mr. MITCHELL.—I think that is a fact which should be clearly shown. I think this committee should refer the matter back for negotiation between the trade's interest and the shipowners, if they find fault with the bill of lading to see if some

bill of lading that would suit the necessities of the trade could not be framed, without this legislation ?

Hon. Mr. KERR.—You could do that, and we would drop the Bill.

Mr. MITCHELL.—I may say that I offered to meet the representatives of the Millers' Association and discuss the matter.

Hon. Mr. KERR.—If you made your clauses reasonable then the Bill might stand over till we see whether everybody adopts the clauses or not.

Hon. Mr. PERLEY.—Would you not charge more freight if the conditions were made more onerous to you ?

Mr. MITCHELL.—It is a question of competition. It is very difficult to increase the freight.

Hon. Mr. PERLEY.—You would all be in the same boat.

Mr. MITCHELL.—The shipowners on the St. Lawrence route have gone to the expense of building ships specially fitted for this route, and great expense has been incurred by them. There is no doubt this will be an additional burden on the shipowners. Is it fair? It depends altogether on the reasonableness or unreasonableness of the clauses in the bill of lading. Is it reasonable or right that we should place an additional burden on the shipowner who is sending his ships to Montreal, which were built especially for this trade? I submit that no case has been made out showing the necessity for passing legislation of this character.

Hon. Mr. BEIQUE.—Could you make a contract of that kind under the law of Quebec?

Mr. MITCHELL.—I do not know of anything to prevent me making such a contract.

Hon. Mr. BEIQUE.—Is there not an article of the code which prevents you from contracting against your own negligence ? There is an express article of the Quebec code.

Mr. MITCHELL.—I have not considered that article.

Hon. Mr. CAMPBELL.—But they make this subject to the law of England, and the law of England does not recognize the law of Quebec.

Mr. DUCLOS.—The contrary has been decided.

Mr. MITCHELL.—The Pilkington case, in re SS. *Glengoil,* decided that you could make that contract. One or two of my clients have written me criticising the letter of the London Flour Trade Association. One letter reads as follows :

'As regards clause 1, the tenor of it appears more serious than the actual meaning. It is well known that before flour is shipped the vessel is properly prepared and passed by the underwriters' surveyors, who take care that every precaution is used to safely carry the flour. The nature of the flour is however so delicate and so liable to become tainted that cases have been known where flour has become tainted from vapours arising in consequence of cargo which had been carried some voyages previously. Shipowners feel that when they have used the utmost care it is unfair that they should be saddled with this liability. As regards the law of the flag clause, this undoubtedly is a proper clause to insert. When goods are to be carried to this country it is only fair and equitable that the law of the country in which the goods are discharged should be applicable, and as the vessel is usually a British ship and the receivers British, we fail to see what law the respective parties to the contract could have in view other than the laws of their own country.

'As regards clause 3, the quantity, condition, quality, brand, &c., and clause 4, discrepancy between shipping marks, it is obviously ridiculous to suppose that a captain, be he never so skilled, could combine with his various vocations, that of flour expert. In fact if this clause is not inserted it leaves the door open to fraudulent practices because merchants in the hurry of getting their cargo on board may send down brands, other than those which were originally intended to be shipped, and we know as a matter of practical experience, it is a physical impossibility for mates to actually tally the cargo on board. As regards clause 5, we must say that subject to any peculiar characteristics existing in this trade, we do not think goods should be delivered without a properly endorsed bill of lading. Clause 7, the insurance clause,

is a very usual clause, and has been adopted by many trades because where risks can be insured, without a material increase of premium, the question at issue is not so much one for the shipowner and cargo owner as one for their underwriters.'

As regards unseaworthiness, there is this clause in our contract:

'Unless the shipowner has exercised due diligence to make the ship seaworthy.'

So that it is not an absolute bar to an action. There is another point, and that is the constitutionality of the Act. It is a very important question, and in some respects I must say that I consider the Act unconstitutional, particularly clause 8. That clause imposes a duty to be performed outside of Canada. I doubt very much if the parliament of Canada has power to provide for the making of such a contract.

Hon. Mr. McMillan.—Is the contract not made in Canada?

Mr. Mitchell.—Yes, but the laws bind only those within the territory of the country. This is extra-territorial. I would refer the committee to Wheaton, a celebrated author on international law, with regard to the constitutionality of this clause. It strikes me that clause is absolutely unconstitutional. I am not speaking now about private contracts. I am talking about an Act of the parliament of Canada. The British North America Act, section 91, certainly gives the Dominion parliament power to legislate in regard to navigation and shipping. I think the only interpretation of that is that it is restricted to the internal shipping and the coast shipping of Canada. I think that is borne out by sub-clause 13 of section 91. It gives the Dominion parliament power to legislate in regard to ferries between a province and a foreign country, or between two provinces in the one country. I doubt very much the competency of the Dominion parliament to legislate, or to attempt to control navigation beyond the territorial limits of Canada.

Hon. Mr. Kerr.—Supposing you added a few words like this: 'And every bill of lading issued in Canada shall be deemed to have set forth the provisions of this Act.' And make it one of the conditions.

Mr. Mitchell.—I hardly think that would cure the constitutional objection. I only mention that because I think it is a matter you could consider. I think it would be advisable to have that question looked into by the law officers of the Senate; because is the Bill is passed and that question raised, it would be a great expense to the shipowners, because it will undoubtedly be tested in the courts. I would simply point out that we have been able to do business, and the trade of this country has increased under the bills of lading as they exist, and, therefore, I do not see any great necessity or hurry to make a change. It is an important matter and affects important interests, and, therefore, I think due consideration should be given to this Bill before it is passed.

Hon. Sir Mackenzie Bowell.—If we made the Bill, there would be nothing for you lawyers.

Mr. Mitchell.—But at the present time we are representing our clients, and I do not know that it ever benefits the lawyers to have legislation of this kind placed upon the statute book.

Mr. J. D. Flavelle, of London, Ont.—I am here on behalf of the millers. I listened with very close attention to the remarks of Mr. Watt this morning, and, after hearing him, and listening to him attentively, with the knowledge that I have, I think he made out the strongest possible case to have this Bill passed, right on his own testimony. The whole issue in regard to this matter is, is it a fair bill of lading to ask the shippers to accept? Is it a bill of lading, from a national standpoint, that you believe is going to conduce towards the increase of the shipments from the ports of Canada? This is not a question between the flour millers and the steamship men. It is far broader than that. It is a national question, as far as I can speak personally. I am more interested in the shipment of butter, cheese, eggs and poultry than in flour, and it affects me in regard to all these articles, but it is a broad national question. It is not a question for the millers only to discuss. It is a question for Canada. We do not all live in Montreal. We are not small shippers. We ship several hundred thousand dollars' worth of produce to the old country, and I may say that I was never

aware of these objectionable clauses. We are tendered a bill of lading at the interior points, which the railway officials give to us, which states: 'This bill of lading is subject to the ocean bill of lading,' and the people of Canada do not know what they have been shipping under. They know it now, and after we know it, do you suppose we are going to submit to a handicap of that nature, being cognizant of it? I understand you are spending millions in developing your ports here and trying to encourage shipments from Canadian ports. We are now handicapped, as Mr. Mitchell points out, by the fact that the insurance on the St. Lawrence route is very much higher than on other routes. We pay double and sometimes treble the insurance that we would from New York in the winter time and on the late boats, and we put up with that. We want to ship by Canadian ports, but we are not going to put up with a double handicap, and we will not do it. What is the use of having our steamers go up the St. Lawrence, and spending a lot of money in improving the route, if you are going to force us to accept a contract of this kind? They talk about freedom of contract. They say: 'Here is your bill of lading; subscribe to that and we will carry your goods, and if you do not we will not carry your goods.' Mr. Watt this morning frankly admitted: 'We take the stuff from Chicago on certain terms, because we cannot help ourselves.' That is it exactly. What we want you to do is to make them take our stuff because they cannot help themselves, and put us in the same position. They do not make any trouble about taking the stuff. They are anxious for it and take it, and they get more for it if they can, and they would put it under our bill of lading if they could, but the Americans will not ship that way, and how long will we stand it? We think we have as much ability to know when we are sat upon as the Americans, and we are not going to put up with it when it is known. The consequence is that trade will be driven away from the St. Lawrence ports, and all the money spent at St. John, Halifax and Montreal, improving the ocean ports, is not going to be any benefit to us. Mr. Mitchell says that on reading that bill of lading as it stands, it is preposterous. That is just what it is, and why should we be compelled to subscribe to that? The Campbell Bill may not be perfect in every detail, but the principle of the Bill is there, and we want you to take it from a patriotic and business standpoint, and it is imperative that we should have legislative assistance in providing us with a proper bill of lading.

Hon. Mr. McMillan.—Does the same ignorance prevail with the shippers in regard to the bill of lading——

Mr. Flavelle.—I am confident it does. We never saw this ocean bill of lading at all.

Hon. Mr. McMillan.—Never saw it at all?

Mr. Flavelle.—Never saw it till this matter came up.

Hon. Mr. McMillan.—Now that the matter has come before us, and we are all aware of the iniquity of these bills of lading, do you think it will be the means of driving traffic from the St. Lawrence?

Mr. Flavelle.—I most assuredly do. That is one of my points. Then, in connection with the insurance, I think you will find that the statement made by the gentleman from New York and the statement of Mr. Watt are not logical. Mr. Watt says it will cost him from two hundred dollars to a thousand dollars a cargo to insure against the more onerous conditions you impose on the steamships. This gentleman from New York states that notwithstanding the fact it is more onerous, that they will not charge you any more insurance. The two statements will not stand together. I do not believe that the gentleman from New York really believed what he is saying. Mr. Watt mentioned a matter in the bill of lading in regard to excretions of cattle dropping down and causing damage, but he must remember that that is caused by stress of weather, and that comes under the heading of perils of the sea and does not come under the heading he referred to. We contend that they should be held responsible for improper stowage, or for damage resulting from carelessness of the employees of the vessel, but they are not responsible for the perils of the sea. That comes under one of the conditions of Mr. Campbell's Bill. The Hon. Senator Kerr

stated in connection with that objectionable part that they practically legislate themselves out of everything, and they say we can get insurance. As flour millers, we can get insurance on the all-risks clause that will cover all these disabilities, but it is the only one; but for other produce—butter, eggs, cheese and poultry—you cannot insure in the same way. You cannot insure wheat in the same way. The all-risks clause states that they will not be held responsible for damages in a case of that sort. Not only that, but Mr. Plewis has a copy of a statement in his hand which provides that the contract shall be cancelled if we enter into any contract legislating ourselves out of any recourse we have against them for the improper handling of the goods. That does not apply to flour, but to other goods. Mr. Mitchell said that they had been going on increasing all these exemptions. We want to put a stop to it. We do not know where we are. I do not think they can increase the exemptions much more, because they have got to the end of their tether, but I think it is obligatory upon the Senate to give us some relief. Mr. Mitchell stated that they had a couple of law suits and that they were mulcted in one, and I judge from what he said that they were successful in the other. But Mr. Campbell's Bill expressly states that any inherent vice or defect in the goods relieves them from responsibility, and if the quality of the goods is not what the shipper professed it to be they are relieved. He also states that it is difficult to obtain redress when the receipt states that they are received in good order. It is very easy to insert the words 'apparent good order.' Mr. Watt did not go as far as Mr. Mitchell. He did not say it was preposterous, but he said: 'We object to every single item of the Bill. It is not a question of amending it. We object to it *in toto*. We do not want any amendment. We think it is all right as it is.' I leave it to you, as ordinary business men, to say whether it is a fair Bill for the people of Canada to accept. What I am surprised at is that men of the ability of those gentlemen representing the steamship companies, after their iniquity has been found out, still persist and urge that these things are all right. I may be just as selfish as they are, if I am not found out, but when they are found out, and the thing is shown to be preposterous, why should it be contiued? Why do they not say: 'We have held on long enough, and if you come to us we will make some changes?' I think these gentlemen have made out a bad case. I think they have only strengthened the other side, and they have shown that it is necessary that a Bill of this sort should be passed by the House.

Hon. Mr. CAMPBELL.—You have compared the bills issued from Montreal with those issued from Boston and New York.

Mr. FLAVELLE.—I read them over carefully after the meeting this morning, and Mr. Watt, I will not say intentionally, because I have too much respect for him to suggest that, but Mr. Watt did not state the fact when he said they were identical. There is a lot of objectionable matter eliminated from the Boston bills of lading which are in the others.

Hon. Mr. CAMPBELL.—I have a bill of lading from Boston and also a copy of the Allan Line bill of lading from Montreal. Would you compare them?

Mr. FLAVELLE.—It would be hardly fair to ask the committee to listen to me while I compare the two bills.

Hon. Mr. CAMPBELL.—I understood Mr. Watt to say they only had one bill, practically. Here is the Allan Line bill from Montreal——

Mr. MEREDITH.—It is the same bill from Canadian ports.

Mr. FLAVELLE.—If I remember correctly, Mr. Watt's contention was that the bills were practically the same, except that in the American bills they were subject to the Harter Act; but otherwise they issued a uniform bill of lading to every place and from every place.

Hon. Mr. KERR.—I think you will find when you come to read the evidence that there were two statements, and I think the one was intended to be consistent with the other. I think the matter was made quite plain at the time.

Hon. Mr. CAMPBELL.—There is the Allan Line bill of lading from Boston, and here is the Allan Line bill of lading from Montreal. In the Allan Line bill of lading

from Montreal, there are all these objectionable clauses, and in the Allan Line bill of lading from Boston none of these clauses appear.

Mr. FLAVELLE.—I think there may be some of them, but not to the same extent. I would like to read to the committee clause 18 of the Donaldson bill of lading. It is as follows:—

'It is further expressly agreed that the goods named herein are shipped and carried at the sole risk of the shippers or owners thereof, and that the shipowners shall in no case be responsible for any loss or damage thereof, or in any wise relating thereto, whether such loss or damage arise from defects or insufficiency either before or after shipment in the hull of the said steamer, or in the machinery, boilers or refrigerating chambers machinery, or in any part of the refrigerating apparatus, or in any material, or the supply or use thereof, used in the process of refrigeration, and whether such loss or damage, however arising, be caused by the negligence, default, error in judgment of the pilot, master, officers, engineers, mariners, refrigerating engineers, or other servants of the shipowners or persons for whom they are responsible, or by negligence in stowage.

Those are the disabilities we labour under, and yet they voluntarily, of their own accord, solicit trade from Chicago, at what they say they will have to take, and insure against loss. The only possible point that Mr. Watt made this morning, in my opinion, was that if this Bill is passed, it will cost the steamer a sum of money to insure against something which I do not think they are insuring against now, in shipping from American ports. They talk about the poor shipowner and a gentleman brings up a record of the last century, when we had not the capital that we have now; but there is no difficulty in that respect now, and I do not think we are going to ship from Montreal under these onerous conditions when we can ship cheaper from New York.

Hon. Mr. SULLIVAN.—I understood you to say the Harter Act was a patriotic matter.

Mr. FLAVELLE.—I said you would be lacking in patriotism if you did not put shipping on the same basis.

Hon. Mr. SULLIVAN.—Do you know in regard to the amount of mercantile marine, or the shipping between American ports in the same trade, and that of the British and Canadian combined——

Mr. FLAVELLE.—I am not sufficiently versed to give you that information.

Hon. Mr. SULLIVAN.—This Harter Act might be put in because it had a disposition to twist the lion's tail——

Mr. FLAVELLE.—That Harter Act I think was simply carrying out an agreement entered into between the shippers and shipowners voluntarily. I think evidence will be produced by a gentleman to that effect.

Mr. JAMES THOM, Manager of the Dominion Line.—It is pretty hard to have to say anything after listening to Mr. Flavelle. The steamship owners must be glad to see him, and there is no doubt he has done his level best to impress the members of the committee with the justice of his cause. I wish to say that I concur heartily in the remarks of Mr. Watt this morning. He is the father of our shipping interests in Montreal, a man of very great experience, not only on this continent, but on the European continent and in Great Britain, and I am perfectly satisfied he made his remarks from thorough conviction—no haphazard statement made by that gentleman. So far as the Bill is concerned, it appears to me to be fathered, aided and abetted by the flour trade. This is a trade which it is very hard to satisfy, they have so many demands. Each steamship company in the spring of the year receives a note or letter from some Minneapolis association stating that the flour must not be stowed with certain commodities. They will taint it. In the midsummer we receive another complaint stating that we must not stow it with meat, because it will taint it. In the fall of the year we are notified that we must not stow it with apples or deals, or anything that will taint the sacred commodity of flour. The consequence is we are compelled to give flour the very best stowage accommodation we have on board of the

ships, and that at the very lowest rate of freight going on the steamer. If we were getting anything like the rate shippers of butter, cheese and eggs pay, it would not be so bad. We are carrying flour across the Atlantic for five cents a hundred pounds, and the reason is because we are in competition with the United States. We are called upon to give Pullman accommodation for fifth-class rate. So far as the steamships are concerned, we do not care if we never carry a pound of flour. It is carried in many cases in flimsy boxes, unable to stand the handling. It is handled in the west and it is handled again in Montreal, and in Montreal we are compelled to handle it with canvas slings spread out in a certain way and hoisted into the steamer. Then it is taken out in Liverpool, and all this is done for five cents per hundred pounds, and they say flour dealers are hardly used. I do not think it. If the shippers of butter, cheese and poultry would make the same complaint, there might be some reason in it, because they are paying twenty shillings a ton; but here they are complaining about their flour, which we must handle with kid gloves. We have to go to all this trouble about it, but the shippers of fine goods make no complaint. The complaint comes from the shippers of the lowest class of freight. A gentleman made some comments before the committee about the condition of our holds. I do not intend to make any remark about it, but possibly I am a little more conversant with shipping matters, having been in it since I was a boy, and I might tell that gentleman that when a steamer arrives in Montreal it is cleaned out. The hold is examined by the portwarden or his deputy, and we are not allowed to put in one pound of cargo until we are authorized by the portwarden of Montreal. How is it possible for any poisonous article to be in that hold after it has been examined by the government official?

Hon. Mr. JAFFRAY.—Why do you want to exempt yourselves from the provision?

Mr. MEREDITH.—Bogus claims, largely.

Mr. THOM.—Has any gentleman been able to state that he has been refused a legitimate claim? I do not think any man in this room can say that he has been refused a legitimate claim. If we damage anything in any of our steamers we have to pay. We do it sometimes. They sue us notwithstanding the clauses in the bill of lading, and they are paid. We cannot go against the laws of the country no matter what we put in the bill of lading.

Hon. Mr. MCMILLAN.—What is it there for?

Mr. THOM.—It was there before I had anything to do with steamships.

Hon. Sir MACKENZIE BOWELL.—You cannot contract yourselves out of a liability?

Mr. THOM.—No.

Mr. CAMPBELL.—You are very anxious to continue these conditions?

Mr. THOM.—We have always paid our claims, notwithstanding any clauses in our bill of lading. There is no haggling over it. We have to do it, notwithstanding the clauses. I did not intend to speak about the question of insurance, but possibly I am in a position to do it. I am a director in an underwriting company in Montreal. Some gentleman has made the statement, I do not know who it was, that with the all-risk clause some gentleman had been asked three times the rate in insurance. If any gentleman will apply to me in Montreal, I will give him the all-risk clause at the same rate he is paying to-day.

Hon. Mr. CAMPBELL.—Mr. Flavelle said that sometimes the all-risk rate from Montreal was three times as high as from New York.

Mr. THOM.—That is a different question entirely. The rates of insurance on the St. Lawrence from the 1st May to the 15th September run at the same rate, and after that they advance. It is an extra hazardous risk, and I can understand a man paying three times as much. It may run up from 55 cents to 65 cents.

Hon. Mr. CAMPBELL.—And it might be up to a dollar and a half?

Mr. THOM.—No, never that much.

Hon. Mr. CAMPBELL.—Mr. Dale says differently.

Mr. THOM.—He is one of our co-partners in the matter. As far as insurance is concerned, we cannot get any higher rate from the St. Lawrence than they get from New York and Boston. We do not get a higher rate, with the exception of hams from

Chicago, and we get an additional two cents for that, and we are getting one cent extra on the flour. There can be no objection to that. The rate on the St. Lawrence in the beginning of the season is 25 cents, and it runs up to 65 in the fall of the year. Many houses have a blanket clause, and they get the same rate from Montreal all the year. We have as much brains as the American, and why do our shippers not avail themselves of this and get a blanket clause? In regard to the hulls, it is quite true our government has spent a very large amount of money in improving the aids to navigation, and they deserve a great deal of credit. As chairman of the Shipping Federation, I can add my testimony to the good work being done by the government in the matter of lights and buoys. They have reduced our hull and cargo insurance. At the same time the New York and Boston lines can insure their hulls for 45 to 50 shillings per hundred tons, whereas the rate on the St. Lawrence runs from 60 to 80 shillings. How can we live in competition with the American lines if we are going to have legislation passed which will increase the dues which we have to pay? We cannot do it. If it is the intention of parliament to drive the trade from the St. Lawrence, keep on. As a young man I put my money in the shipping business, and I lost every dollar. If you are going to penalize the shipowners, all right, go on. I have no more to say.

Hon. Mr. McMillan.—You ship a great deal of goods that come from the Western States, St. Paul, &c.

Mr. Thom.—Yes.

Hon. Mr. McMillan.—Do they accept the conditions of your bill of lading?

Mr. Thom.—I have never heard it questioned. The first time we heard of this was from some flour association. It did not come in any official way, but from a flour man. I think I heard Mr. Watt allude to it this morning.

Hon. Mr. McMillan.—Are they aware of the conditions in your bill of lading?

Mr. Thom.—I really could not say, but if we damage the property in any way, slightly or to a great extent, we have to pay. No man will take his goods in a damaged condition. We receive the shipment in good order and have to deliver it in a good condition.

Hon. Mr. Campbell.—You have a clause in your bills of lading that the law of England shall prevail.

Mr. Thom.—Yes.

Hon. Mr. Campbell.—The law of England is that if the shipper accepts the bill of lading by which the shipowner is exempt from all damages by reason of negligence, the law compels him to accept those conditions.

Mr. Thom.—I am not a lawyer, but my experience in Liverpool for a number of years was that when we damaged goods we had to pay, notwithstanding the clause, and I have no doubt that common sense prevails in England.

Hon. Sir Mackenzie Bowell.—Were those suits brought in England?

Mr. Thom.—Yes.

Hon. Sir Mackenzie Bowell.—There was a case tried in England in regard to damged goods, and the decision was that the contract provided certain conditions and the consignee must abide by them.

Mr. Thom.—A ship of ours carried a cargo of case oil and went to Calcutta or Bombay. They were not as careful as they should have been and they allowed a few planks to remain on the bottom of the floor of the ship. In that ship was placed a lot of corn. When the vessel reached Dublin, the Canadian shipping company had to pay for the damage in the hold. That case is within my knowledge.

Hon. Sir Mackenzie Bowell.—Where was it shipped from?

Mr. Thom.—It went from New York, proceeded to Bombay or Calcutta with a cargo of case oil, and from there to Dublin, and on the bottom of the floor of the ship were these few boards which damaged the contents.

Hon. Sir Mackenzie Bowell.—Was it shipped under the same conditions?

Mr. Thom.—Yes, and we paid for the whole of it.

Hon. Mr. Campbell.—Shipped from New York?

Mr. Thom.—It was billed from New York to Bombay or Calcutta, and at Calcutta

we loaded a cargo of corn, and the few boards on the floor contaminated the vessel, and the smell went throught the bin of corn, and we had to pay for it.

Hon. Sir MACKENZIE BOWELL.—Did you go to court ?

Mr. THOM.—I have forgotten. It did not matter whether it went through the court, but we paid for it. With regard to the notification clause, compelling us to notify the consignee on the other side, that is a very easy matter where the name is given in the bill of lading, but where the bill of lading reads to the order of the shipper, or to the order of the Bank of Montreal or any other bank, it is quite impossible to give that notice.

Hon. Mr. CAMPBELL.—I think it would be proper to amend that clause.

Mr. THOM.—Let the shipper put the proper instructions in the bill of lading and they will be carried out. We have every desire to notify the consignee, and if the shipper will let us know who should be notified, it will be done. Here is a paper published by the Liverpool customs, giving a copy of every ship's manifest, of the ship's arriving in the port of Liverpool. Any shipper who sends goods to England can see the cargo of every steamer which arrives at that port. What more can we do ? I do not think it is fair to ask us to do unreasonable things.

Hon. Mr. CAMPBELL.—Clause 8 of the Bill was left in that way because we understood that it was the custom to do this at the different ports. In some ports you give notice by posting in a conspicuous place, or by notifying by post card or in some other way. I thought it would be only fair to add to this clause a little proviso that they would give notice in the customary way, in some way or another—whatever was the custom at the port. If it were the custom to insert it in an official paper, that would be sufficient.

Mr. THOM.—The custom in Montreal is to advertise it in the public newspapers. With regard to an eastbound cargo, immediately a shipment is made we issue a post-card. Here is a postcard from the Thompson line, a notification of the shipment. The post-card is as follows :

'Thompson Line.

'We beg to advise you that the undermentioned goods have gone forward for. . . . . per SS. . . . . sailed Montreal. . . . . 190 .

B/L. No.	DATE.	PLACE.	GOODS.

THE ROBERT REFORD CO., LIMITED,
Agents.

Mr. THOM.—I said that I concurred with Mr. Watt, and I also concur with Mr. Gear.

Mr. FLAVELLE.—When Dr. McMillan asked you the question as to whether they were shipped under the same bill of lading, do you not, in accepting goods from Minneapolis or St. Paul, place on the bill of lading that it is subject to the Harter Act?

Mr. THOM.—Yes, that is on the bill of lading.

Mr. FLAVELLE.—Do I understand you correctly to say that with the all-risks clause you are prepared to insure at the same rate as the ordinary insurance?

Mr. THOM.—Yes, from the 1st May till the 15th September.

Hon. Mr. CAMPBELL.—These bills you issue from Montreal are very different from those that you issue from Boston and New York?

Mr. THOM.—I really could not give you all the differences in the clauses, but so far as the Montreal firms are concerned, rather than have this Bill go through we

would take the Harter Act. Nobody has complained. We have not had a single complaint except from the flour men.

Hon. Mr. CAMPBELL.—We have had complaints from the Manufacturers' Association from Toronto and from other bodies, and I have here a telgram from the president of the Montreal Produce Exchange, Mr. A. Ayer, which reads as follows :—

'Montreal Produce Association object to clause in ships' bill of lading exempting ships from responsibility for injury to goods, and earnestly support section 4 of Campbell Bill.'

Then, in addition to that, you have had the Manufacturers' Association and other organizations.

Mr. THOM.—I do not think we ever heard anything of this until the flour association started it up.

Hon. Mr. CAMPBELL.—Fifteen years have passed by and you have been carrying goods from Boston, New York and Portland on more favourable terms than from Montreal, Quebec, St. John and Halifax, as far as the ships are concerned

Mr. THOM.—As far as the freight rate is concerned, no

Hon. Mr. CAMPBELL.—The conditions are much more favourable to the shippers of United States goods than to the shippers of Canadian goods.

Mr. THOM.—They have not suffered.

Hon. Mr. KERR.—The conditions of the contract are there; you may not have enforced them.

Mr. THOM.—These conditions were there before my time, but you have not suffered in any way from them. The transportation companies have no friends : that is the explanation of the whole thing.

Hon. Mr. CAMPBELL.—I do not think they deserve many. But let me say this, the statement is made that the shippers of Canadian products have not suffered any injury, but you know that when you ship flour we insure it under the all-risk clause. If any of the shipment is damaged, the underwriters in England pay the bill.

Mr. THOM.—That is what they are paid for.

Hon. Mr. CAMPBELL.—Under the Harter Act they can collect from the steamer, and under the Canadian Act they cannot.

Mr. THOM.—Mr. Loines said that the payments amounted to only one-eightieth of one per cent.

Hon. Mr. CAMPBELL.—That is on one class of goods. I have here the report of a case that occurred in London, in which there were two cases of leather shipped to a certain place. When the ship arrived at destination the leather was not to be found. It had either been stolen or mislaid or given out wrongfully, and the owner of the leather sued for the value of it, but the judgment was that owing to the conditions of the bill of lading they could not recover, and the case was dismissed.

Mr. THOM.—If I take a bill of lading for five bales of leather and I cannot produce them I have to pay for them, judge or no judge.

Hon. Mr. CAMPBELL.—You will find the report of the case in the London *Times* of the 10th of April last. It is the case of Baxter's Leather Company, Limited, vs. The Royal Mail Steam Packet Company.

Hon. Mr. KERR.—What I understand you to say is this, that while the conditions are on the bill of lading you do not stand up for this, you pay when a proper case arises?

Mr. THOM.—We pay all legitimate claims.

Hon. Mr. KERR.—But you are the only judges of what are legitimate claims?

Mr. THOM.—Not at all. When a man is a case short, he is as good a judge as we are, and when he is not he has recourse to the lawyers.

Hon. Mr. KERR.—And they tell him he has no case.

Mr. THOM.—If there are five cases of goods and I have only four of them when the ship reaches destination, I have to deliver the five cases or pay for the one that is lost.

Mr. FRANCIS KING, of the city of Kingston, representing the Dominion Marine

Association.—I am not sure whether what I have to say is appropriate at the present moment, because I am not directly antagonistic to the Bill. My instructions are not in that direction. What I have to say is directed more to certain amendments to the Bill which we consider reasonable rather than to any strong objection to the principle of the Bill. What I say I should like to have taken as without prejudice to whatever case is made out by the trans-Atlantic carrier. We realize that there are things which he can very properly say to this committee, that there are objections from his point of view to the legislation that is proposed, and we are not anxious in any way to prejudice his position. We carry on the lakes and the St. Lawrence under a bill of lading that is so destitute of exemptions that we really feel that our position under the proposed statute will not be in the slightest degree worse than it is now, because although the statute prohibits us from exempting ourselves from acts of negligence, it has not been our custom to exempt ourselves in that way, and, as I stated once before, the bills of lading are very frequently prepared by the shipper. In fact, at Port Arthur and Fort William, where we ship cargoes, the bills are almost invariably prepared by the shipper. The words which appear are not 'dangers of navigation not excepted,' but 'dangers of navigation accepted'; with the result that we are taking more on our shoulders than we ought to. Addressing myself to the Bill, on the supposition that the committee is favourable to or intends to enact the Bill in some shape I would like to point out, in the first instance, that what has been said as to the Harter Act being less onerous upon the shipowner, is in my view, correct, and that upon the lakes and the river the vessel owner would very much prefer to have the Harter Act than the Bill now proposed enacted. For one reason he is carrying in direct opposition to shippers from Duluth to Buffalo, or to Canadian ports, and ought to carry under conditions as similar as possible to those under which his competitors carry, certainly not under more onerous conditions. The difference between the Bill before the committee and the Harter Act is most strongly marked at the very outset in that the present Bill attempts to make the shipowner absolutely liable and responsible for the seaworthiness of his ship, whereas the Harter Act requires him simply to exercise due diligence in that direction, and exempts him thereby from latent defects for which he should never be responsible. I am glad to hear expressions from members of the committee that it would be unfair to impose on the shipowner a duty that there should be no latent defects in his ship, and I would ask the committee to strike out the provisions which cast on the shipowner the absolute duty of insuring the seaworthiness of his ship in every particular. I would refer to clause 4. Now, the committee will notice that subclause (*b*) is to some extent a repetition of subclause (*a*) of the same clause, but in subclause (*b*) the words 'to exercise due diligence' appear. Now, the fact is that these sub-clauses of clause 4 are copied very closely from the Australian statute, and do not follow the Harter Act. If reference is made to section 2 of the Harter Act, it will be found that no other obligation is cast upon the shipowner except that of exercising due diligence to properly equip, man, provision and outfit the vessel 'to make and keep the ship seaworthy and to make and keep the ship's hold, refrigerating and cool chambers and all other parts of the ship in which woods are carried, fit and safe for their reception, &c. I would ask, for the purpose of making an amendment in the direction I suggest, that certain words should be struck out of sub-clauses (*a* and *b*) and that they should be amended to serve the purpose I suggest. In line 21, sub-clause (*a*), I would suggest the striking out of the words 'arising from the harmful or improper condition of the ship's hold, or any other part of the ship in which goods are carried,' relying upon sub-clause (*b*) for the remedy which the committee may very properly desire. In sub-clause (*b*) I would suggest the striking out of the word 'and' immediately after the words 'due diligence,' and the insertion of that word after the word 'ship' in the following line. May I explain how that will read? Sub-clause (*b*) would then read:

'Any obligations of the owner or charter of any ship to exercise due diligence to man, equip and supply the ship and to make and to keep the ship seaworthy, and to

make and keep the ship's hold, refrigerating and cool chambers and all other parts of the ship in which goods are carried fit and safe for their reception.'

If these words appear as they do in clause (*b*) it will then be proper to strike them out of sub-clause (*a*) and will afford the protection to the shipper which is reasonable, and which does not impose too onerous a condition on the owner of a vessel. I think the intention of that is prefectly clear to the committee. I shall explain it further if questions are asked. I pass over clause 5 of the Bill, because it does not concern us travelling on the inland waters of Canada whether the laws of Canada are imposed or not. In fact all our traffic is practically in Ontario, so we are not concerned in clause 5. I would suggest that the first sub-clause of clause 6 be struck out. It reads :

' In every bill of lading with respect to goods, unless the contrary intention appears, a clause shall be implied whereby, if the ship is at the beginning of the voyage seaworthy in all respects and properly manned, equipped and supplied, &c.'

Now that suggestion which I make is not for the purpose of relieving ourselves from that warranty, but because I think the English law now implies a sufficient warranty that the vessel shall be seaworthy, and, therefore, the clause is redundant. The vessel-owner ought to be permitted to relieve himself from liability for latent defects. For instance there may be a broken rivet in a ship's hull of which the owner knows nothing, and he ought to be permitted to relieve himself of liability for such a defect, and he cannot do that unless this subsection is struck out. The shipper will be sufficiently protected by those sections of clause 4 which I propose to leave in.

The CHAIRMAN.—Your suggestion is that the first sub-clause of clause 6 should be entirely eliminated.

Mr. KING.—Yes. Sub-clause 2 I would ask to have amended again in the direction of imposing upon us only the obligation to exercise due diligence to make the ship seaworthy, and that might be done by striking out the words in line 15 ' if the ship is at the beginning of a voyage seaworthy.' and inserting the words ' if the owner of a ship shall exercise due diligence to make the ship seaworthy.' That will make it in absolute accord with the words of the Harter Act.

Hon. Mr. KERR.—Why should not the first subclause remain in? Why should you not guarantee that at the beginning of the voyage the ship is seaworthy?

Mr. KING.—For good reasons, because I think the English law now implies a sufficient warranty. It is a condition in every bill of lading that the ship is seaworthy, and we wish to limit that to the reasonable condition that we have exercised every possible care that we can to make the ship seaworthy. I can cite the case of a vessel, the steamship *'Glenna,'* carrying a cargo of cement; water damaged that cargo. On investigation it was discovered that under one of the wale streaks there was a broken rivet head, a defect of which the owner could not possibly have knowledge, and for which it would be unfair to lay the responsibility on him for all the damage that occurred. If the first subclause of clause six is enacted, the vessel owner could not relieve himself, because it requires an absolute warranty that the ship is perfect in all respects. What we ask is that we shall only be required to exercise due diligence, nothing more. Then, as I say, I propose the insertion of words which would lead to the same result in line 15, by striking out the words which I have quoted and inserting in their place the words which I have suggested. Section 3 of the Harter Act provides:

' That if the owner of any vessel transporting merchandise or property to or from any port in the United States of America shall exercise due diligence to make the said vessel in all respects seaworthy and properly manned, equipped and supplied, neither the vessel, her owner, or owners, agent or charterers, shall become or be held responsible for damage, &c.'

Then again, to bring clause 6 a little more in accord with the Harter Act, I would ask for the amendment of subclause (*a*) ' Faults or errors in navigation,' by the addition of the words ' or in the management of the ship.' My excuse for that is that the Harter Act is worded the same way. The words of the Harter Act are ' Faults or errors in navigation or in the management of said vessel.' The difference is very

slight, and it is not unreasonable. I would ask as well for the addition to the exemption which are there permitted as being reasonable, of some two or three others which are not prohibited but which ought to appear in this Bill instead of in the bill of lading. It may be answered to me that the vessel owner can protect himself sufficiently by inserting in this bill of lading certain other exemptions which are not prohibited by this statute. There is, however, a doubt in my mind as to whether or no the expression mention here of permitted exemptions does not thereby exclude the possibility of other exemptions being inserted in the Bill ; and if those I propose are reasonable, there is no possible objection to their insertion in the Bill. I would mention first of all strikes, lock-outs, or other labour difficulties.

Hon. Mr. McMillan.—Where do you want that ?

Mr. King.—Another subsection, a reasonable exemption of which the shipper ought not to complain.

The Chairman.—Before you get to that, I should like to call the attention of the committee to the fact that you are asking for an exemption in the management of the vessel as well as faults and errors of navigation. You are speaking now entirely from the standpoint of the inland navigator, and while the vessel may be improperly navigated in the lake, you may have to take that vessel through the various canals, and in the lockage through a canal, through the mismanagement of your manager you destroy the cargo, and you want to be exempt from that.

Mr. King.—I think the words 'faults or errors of navigation' would be sufficient protection against that. The word 'management' might cover some part of the management of the ship itself apart from its navigation. My principal argument is that the Harter Act permits that exemption, and if our purpose is to get in accord with our neighbours to the south we should have it.

Hon. Mr. Campbell.—Does the Harter Act provide for lock-outs or strikes ?

Mr. King.—No, but we think it so reasonable that the promoter of the Bill ought not to object to it. It is going a little better than the Harter Act has gone, but without being in the slightest degree unreasonable, and because a doubt exists whether we could put that exemption in our bill of lading when the statute has mentioned a certain number of exemptions as being admissible.

The Chairman.—When the Harter Act was brought into existence they had not the same conditions to contend with.

Mr. King.—I thank you for the suggestion. That is probably the real reason.

The Chairman.—I do not think it would be an unreasonable exemption.

Hon. Mr. Kerr.—It is not so in the Australian Act.

Hon. Mr. Sullivan.—It does not refer to the ocean.

Mr. King.—I think it should refer to the ocean.

Hon. Mr. Sullivan.—It is not so likely to occur there.

Mr. King.—I am not speaking of the Atlantic liners. I think it should apply to them. They have had their strikes and troubles the same as we have. Another exemption is one I discussed this morning: 'Calling at, or taking or unloading at any other ports, whether on or out of the way.' I intend to hand in a memorandum covering the insertions.

Mr. Chairman.—You put that in as K?

Mr. King.—Yes, that might be inserted.

Hon. Mr. Campbell.—Has not the ship a perfect right to do that now?

Mr. King.—It is proposed that we should only be permitted to deviate to save life or property at sea. I do not see why we should not be allowed to deviate into a certain point to put off or take on freight.

Hon. Mr. Campbell.—That is your business.

Mr. King.—But if we can only deviate to save property and life, we could not deviate to pick up a little cargo. If we did deviate for that purpose and ran on a rock we would be responsible.

The Chairman.—Or if you were wind-bound.

Hon. Mr. Domville.—That would be all right.

Hon. Mr. CAMPBELL.—I do not object, but it seems to me absurd to put it in. If a vessel is chartered to go from Belleville to Kingston and then to Toronto, it is pursuing its regular avocation.

Hon. Sir MACKENZIE BOWELL.—Supposing they wanted to run across to Rochester?

Hon. Mr. CAMPBELL.—There is no reason why they should not.

Mr. KING.—Supposing we were sailing from Montreal to Port Arthur, and wanted to take on coal at Cleveland, we could not do it, because you say we should not deviate except to save life and property.

Hon. Mr. CAMPBELL.—If I am shipping to Port Arthur, and you give me a bill of lading to Port Arthur, you can go where you like to pick up goods.

Mr. KING.—Then why say 'only to save life and property'?

Hon. Mr. CAMPBELL.—That would be outside your business.

Hon. Mr. KERR.—There is no harm in allowing them to call at any port.

Hon. Mr. MCMILLAN.—If nothing happens, why should they not be allowed to go into any port, but if they damage goods by striking a rock——

Mr. KING.—Would you ask us in that case to be responsible?

Hon. Mr. MCMILLAN.—Most decidedly. I do not think it has anything to do with the other case, because you go in there on your own business.

Mr. KING.—Senator Campbell has admitted it would be in pursuance of proper business to go in there. He takes a different ground from you. He admits it is our proper business to go into these various ports to pick up a cargo or anything else, and you want to have that clearly understood, whereas you are suggesting it is not our proper business, and that we should be liable if anything happened.

Hon. Mr. CAMPBELL.—But if you go in there and strike a rock, it comes under the perils of navigation.

Hon. Mr. MCMILLAN.—Why should my goods suffer because they go into that port?

Hon. Mr. DOMVILLE.—Supposing you deviate, and I contend that you deviate improperly, and I do not receive my goods until two or three weeks later than I should have received them, and the market has gone down and I have suffered a loss, who is responsible?

The CHAIRMAN.—That is another matter. There are a dozen things might happen between Montreal and Port Arthur that might compel a vessel to call at a dozen places. Mr. King is simply pointing out what might be applied to the Bill to meet the conditions along the line of the Harter Act. In fact, he is the only gentleman who has tried to assist the committee to bring the Bill into life, and when the Bill comes to be discussed it will have to be taken up clause by clause, and any suggestions from Mr. King or others will be heard.

Mr. KING.—A vessel may be taking a cargo from Montreal to Port Arthur, and when she reaches the Welland canal she may receive an order to stop somewhere to pick up a cargo of iron to go to Port Arthur, and the life of her business is calling at ports and picking up cargo. Then another suggestion is the right of towing or being towed. Supposing you lost a blade off your propeller and required assistance in the way of towing, should you not be permitted to obtain it? We are not going to indulge in towing for the fun of it.

Hon. Mr. DOMVILLE.—You have that right anyway.

Mr. KING.—Barratry is perhaps an exception that would not be called into operation very frequently, but it is a reasonable one. It may be necessary that we do not need protection in that regard, because the Canada Shipping Act is broad on that point and does protect us, but it is the only place to find the exemption, where the statute gives it. It is not suggesed whether the Senate proposes to pass an Act which will override the Canada Shipping Act.

Then perils of boilers, propellers or steamers, which are probably reasonably provided for. The owners are left to exercise that due care and diligence which will lead to protecting the property as far as they possibly can.

Then one more matter. Clause 7 says:—

'Every owner, charterer, master or agent of any ship carrying goods shall issue to the shipper of such goods a bill of lading showing, among other things, the marks necessary for identification, the number of packages, the quantity or the weight, as the case may be.'

For some unexplained reason the words that immediately follow the word 'be' in the Harter Act are omitted in this section. Then the words appear in the Harter Act:—

'Stating whether it be the carrier's or the shipper's weight.'

That is right in the centre of the Harter Act, which is assumed to be embodied here. It is almost necessary for the safety of our business that those words should be inserted. If we are to sign a bill of lading for a cargo of wheat delivered on board our vessels at Port Arthur or Fort William and we are not permitted to say whether it is the carrier's or shipper's weight, we are in a bad position. We are conducting a crusade in the Department of Trade and Commerce for the purpose of getting relief from the trouble in which we are continually finding ourselves in the matter of cargoes at the lower ports, which are weighed in at Port Arthur. We sometimes find ourselves a thousand bushels short.

The CHAIRMAN.—Not so much as that?

Mr. KING.—It has happened. And the amount of that is simply deducted from the freight paid over to us at the lower port. That is the custom, and it has been carried out. It is the fault of the loading system. Until the elevators are brought up to date and made the same as they are at Port Arthur and the proper system is introduced, it is only fair that the bill of lading should state whether it is the weight of the carrier or the weight of the shipper, because the carrier has no opportunity to weigh it. All he can do is to send a man up to the top of the elevator and put a mark on a checking system in front of him, but he has no means of checking the weight. That grain in the elevator can be juggled down to the cellar and up to the roof without his knowing where it is.

Hon. Mr. CAMPBELL.—If you insert a provision like that, you relieve the shippers of all responsibility.

Mr. KING.—I do not think it relieves us of all responsibility. We take a cargo of 100,000 bushels. If we are entitled to say: 'That is the shipper's weight,' I think our obligation is almost the same, that when we get down to the lower port we have not admitted ourselves that we have weighed that grain and that there are 100,000 bushels there.

Hon. Mr. CAMPBELL.—Supposing you only delivered 90,000 bushels, who is to deliver the other 10,000 bushels?

Mr. KING.—It is a matter to be investigated, and I have advised against an investigation sometimes, because I am up against the bill of lading, which says they received a certain quantity.

The CHAIRMAN.—Why don't you say 'more or less?'

Mr. KING.—The shipper would not consent. It is a condition identical with the condition between Duluth and Buffalo, or Duluth and the bay ports. All the shipper has to do is to say, in the words of the Harter Act, whether it is the shipper's or the carrier's weight. I am asking for the words of the Harter Act.

Hon. Mr. CAMPBELL.—When the Harter Act suits you, you want to take it; and when it does not suit you, you do not want it.

Mr. KING.—Quite true, and if it is found impossible by this committee to add the very few suggestions that I am proposing from the Harter Act, I would rather see them cut out boldly than be eliminated in any other way, because I think they are not so important as the other changes I have suggested. We might put them in the bill of lading, but I would rather see them in the statute.

Then, as to clause 8, I would ask to have it amended by requiring, after the word forthwith,' that the vessel shall send notice of such arrival to the address, if any, given for that purpose in the bill of lading. I understand that has been offered

already as an amendment by the promoters of the Bill. Strike out after the word 'forthwith' and substitute:—

'Send notice of such arrival to the address, if any, given for the purpose in the bill of lading.'

If there is no address, the notice will not be required, but if there is an address, send the notice. It is not always easy to set to work to send notices all over the port to an immense number of consignees. The larger the cargo, the more difficult it would be, but that amendment is one that should be made, rather than leave the section as it stands I would rather have the matter free, so that the custom of the port would govern, and, if it is possible, to publish in some local paper the arrival of the ships.

Then clause 9 should be amended, I think.

The CLERK OF THE COMMITTEE.—The penalty clause is always amended so as to conform with the rest of the Bill.

Hon. Mr. DOMVILLE.—Assume a cargo of salt would be landed at a wharf, 75,000 bags, and it is raining, and there is no shelter for the salt, where is the liability to commence and where is it to cease? There is no proper storage at the wharf. It has to be hustled out, and it gets wet. That is one of the question sthey sent me from St. John.

Mr. KING.—In effect what I am asking is simply that the Bill be brought more in accordance with the Harter Act, by relieving the owners from the obligation to look after latent defects in our vessels, and adding a few reasonable exemptions.

Hon. Mr. BEIQUE.—Clause 7, line 34, speaks of the apparent order and condition of the goods, as delivered to or received by such owner.

Mr. KING.—The word that saves us in that clause is the word 'apparent.' We object to that provision, but I did not want to raise too many objections to the Bill. We may think the goods are in apparent good order, but we are taking great chances. We cannot inspect a cargo of grain. We must accept somebody else's word for it.

The CHAIRMAN.—You might as well be held liable for the grade of the wheat as No. 1, when it may not really be No. 1.

Mr. C. B. WATT of the Dominion Millers' Association, Toronto).—I would like to ask Mr. King a few questions. The reason is that perhaps he may not be present to give the explanations later on when the questions come up again, and I wish to know his understanding of them. Regarding the deviation clause, if you load your vessel at Port Arthur, and then, instead of sailing to Montreal with my wheat, she goes on to Duluth and takes on more cargo, how do you deal with that question?

Mr. KING.—Under the amendment I propose, I imagine that deviation might be permitted.

Mr. WATT.—Then what would become of my insurance when I have got insured from Port Arthur to Montreal, if anything happens between Port Arthur and Duluth. Am I insured or not?

Mr. KING.—You might be and you might not. I would suggest that the shippers take steps to protect themselves in that matter.

Mr. WATT.—How am I to know what you are going to do? I would have to place extra insurance if I had to insure it from Port Arthur to Duluth, and from Duluth to Montreal again.

Hon Sir MACKENZIE BOWELL.—It would be simply crossing the lake.

Mr. WATT.—There would be several hundred miles up the lake and back to Owen Sound that I have not insured against.

Hon. Mr. BEIQUE.—Don't you think it would be sufficient to permit the vessel owner to stipulate the right to deviate?

Mr. KING.—And leave that entirely as a matter of contract?

Mr. KING.—That might be sufficient, providing something was put in the Bill stating that we had that right.

Hon. Sir MACKENZIE BOWELL.—Would that increase the insurance?

Mr. WATT.—I have had that question raised already. I was told my insurance did not cover it—that was the ground the inspector took—unless I notified them and paid the extra insurance.

Hon. Mr. BEIQUE.—The owner of the vessel would have to stipulate with you.

Mr. WATT.—If I knew about it I could protect myelf.

Hon. Mr. DOMVILLE.—How would it be in the case of an open policy running all the year round? I write on my open policy 'cargo so and so.'

Mr. WATT.—You would not be protected if he went south 100 miles out of his way and was not on the voyage.

The CHAIRMAN.—Would that not be an extraordinary condition of affairs, for him to go to Duluth from Port Arthur on the way to Montreal?

Mr. KING.—No, we might get part of the cargo at Port Arthur and then go to Duluth for another portion. We are permitted to do that as long as we come back to a Canadian port.

The CHAIRMAN.—But you cannot carry from one American port to another?

Mr. KING.—No.

Hon. Mr. SULLIVAN.—If it is understood that is to be allowed under the insurance policy, would it be all right?

Mr. KING.—I think the insurance policy would look after this.

Hon. Sir MACKENZIE BOWELL.—It would affect the price paid for the insurance if the ship did not go direct from Port Arthur to Montreal, but went out of its way and called at some other port. Of course he could not go into American ports.

Mr. WATT.—Yes, he could call at intervening ports on the ordinary route. He could call at Goderich, Cartwright, Cleveland, and all those ports.

Hon. Sir MACKENZIE BOWELL.—He is obliged to go that way to go to Montreal, but supposing he went to Buffalo?

Mr. WATT.—That is on the ordinary route to Montreal.

Hon. Sir MACKENZIE BOWELL.—However, that is a matter for the insurance companies.

Hon. Mr. KERR.—But Duluth would be out of the way.

Mr. WATT.—Yes. The next question I wish to ask Mr. King is, what is your interpretation of those words you wish to add, stating whether it is carrier's or shipper's weight? What is the effect of inserting those words?

Mr. KING.—Simply to relieve the vessel owner of what would be otherwise an absolute admission that he had got a certain definite quantity, from which he never could escape. We wish to leave it to be a matter of proof in court as to exactly what was put on board.

Mr. WATT.—You get the government weight, weight by government weighers, on to your boat, checked by your supercargo or mate.

Mr. KING.—That amounts to nothing.

Mr. WATTS.—You are on the spot in a position to check it if anybody is.

Mr. KING.—No.

Mr. WATT.—The shipper at Winnipeg is not in a position to check it at all.

The CHAIRMAN.—Why should not the owner of the grain accept the same conditions as the owner of the vessel?

Hon. Mr. KERR.—It does not conclude him. It simply relieves him from being concluded.

Mr. KING.—That is it exactly.

Hon. Mr. KERR.—The shipper has a right to get true measurement.

Mr. WATT.—The Grand Trunk states that where it is shipper's weight, that they absolutely have nothing to do with the weight in any shape or form, and the courts have interpreted it that way, that is the reason I am raising this question—that they have nothing to do with the weight where they say shipper's weight, and if they only hand over half a cargo that settles it.

Hon. Sir MACKENZIE BOWELL.—If there is any loss on the Grand Trunk from one point to another, that would have to be shown. He would not be relieved from that.

Mr. WATT.—If it is shipper's weight the Grand Trunk would be relieved.

Mr. KING.—We do not want to relieve ourselves absolutely by that. We want to be free to settle the matter in a court of law as to the weight, not to be bound by the shipper's figures because the captain's name is at the bottom of the bill.

Hon. Mr. DOMVILLE.—And often the captain does not sign at all.

Hon. Mr. BEIQUE.—It is not clear to me what would be the effect of inserting the words.

Mr. KING.—These are the words in the Harter Act.

Hon. Mr. BEIQUE.—It is not clear to me that it would have the effect.

Hon. Mr. KERR.—If it is carrier's weight, you would be concluded by it, and if it is shipper's weight you are free to discuss the question ?

Mr. KING.—Yes.

Hon. Mr. KERR.—You might find something on the bill of lading when it is put into another ship.

Mr. WATT.—I remember a case where a quantity of grain was supposed to be put on a vessel, and the elevator man took me through the elevator, and we went down to the lower part of the elevator, and he said to me 'There is'—and he was just going to say 'the bottom of the bin,' but he stopped and said 'there is the grain.' And afterwards I ascertained that that ten thousand bushels which was in the bin was the same ten thousand bushels which was supposed to have been placed in the vessel, but which the vessel was really short of. The vessel issue the bill of lading for 10,000 bushels. They hand that over to me, and hand the grain over to the elevator people, and the elevator people say, 'I am short 10,000 bushels. All I have got is the bill of lading and there is no grain for it.' What position is that in ? I cannot search the thing out. I know nothing about it, but the steamship is going back there all the time, and has its officers present when it is loaded, and they could look into a matter of that kind. I venture to say if a vessel was loaded 10,000 bushels short the captain would know he had not the proper quantity.

Hon. Mr. KERR.—Take the case of 10,000 bushels left in a bin. You ship by bill, and you ship 50,000 bushels, thinking you have the whole bin, and they go on and deliver 50,000 bushels, and you get your money forwarded on for 50,000 bushels. Subsequently somebody must lose the 10,000 bushels, In the meantime you have 10,000 bushels in the bin that you have never shipped.

Mr. WATT.—I have not it, because it is in the bin. I have the receipt from the shipowner.

Hon. Mr. KERR.—You had a receipt from the elevator man when he put the grain in there ?

Mr. WATT.—I surrendered it up when I got the bill of lading from the ship. The ship may have thrown it over in stress of weather.

The CHAIRMAN.—Supposing there is a shortage in the quantity delivered, are not the captain and owners responsible, and are they not able to say whether there has been any grain thrown overboard, or sold in transit in any way ?

Mr. WATT.—That is the position they are in, and that is how they wish to get out of it. I have a bill of lading and it says: 'No shortage in the cargo shall be deducted from the freight, and any surplus in cargo shall be paid for in addition to the freight.'

The CHAIRMAN.—Have you ever known of any surplus being paid?

Mr. WATTS.—Yes, and it runs very high, because the stuff was delivered to one vessel instead of another.

Mr. KING.—That is quite true, but these questions relate to matters not immediately under discussion. The vessel owner may have to remain liable for the deduction of the freight at the port, whatever the deduction is. The question is whether it is reasonable that the bill of lading shall state as a matter of fact it is the shipper's weight. I do not want the captain of the vessel to be forced to sign a receipt for a quantity he has no means of checking. If we still continued liable, the deduction might be made from our freight.

Mr. WATTS.—The difference between the Harter Act and the Bill under discussion is that under the Canadian law this grain is weighed by government weigher on to the boats; independent officers appointed by the government, and in the United States it is not, and that is the reason why it was necessary to have that provision in the Harter Act.

Mr. KING.—I do not think it is correct about the United States. They have weighmasters there under government pay.

The committee adjourned till 10 o'clock to-morrow morning.

OTTAWA, Friday, May 8, 1908.

The committee met at 10 a.m., Hon. Mr. Gibson presiding.

Hon. Mr. CAMPBELL.—I should like to ask Mr. Meredith if he has any more witnesses to be examined?

Mr. MEREDITH.—I was going to ask Mr. Thom a question to show that certain lines have already taken off a number of steamers from the St. Lawrence, but he is not present this morning. I understand the Leland line have abandoned the St. Lawrence route altogether, and that a number of others intend to follow the same course. I was going to get that information from Mr. Thom, who can speak from his personal knowledge, but that is the only point remaining: apart from that I have nothing to add.

Hon. Mr. KERR.—Perhaps the steamers were withdrawn because the shippers objected to the exacting terms of their bills of lading.

Hon. Mr. PERLEY.—It would not be in consequence of this bill anyway.

Mr. MEREDITH.—It would not be in consequence of this Bill, but that is the only point on which I might offer any evidence, and unless the committee consider that relevant and important, I declare we have no further evidence to offer.

Hon. Sir MACKENZIE BOWELL.—Another line has been put on I believe.

Hon. Mr. CAMPBELL.—I would ask that Mr. Plewes be called.

Mr. DAVID PLEWES.—I am here under instructions of the Council of the Toronto Board of Trade, an organization that comprises 1,200 members, engaged in all lines of business. The members interested in the grain and flour trade are a comparatively small proportion of the membership of that board. I happen to be myself engaged in the flour and grain business. Mr. Watt, in opening his remarks yesterday, said that the statement that had been made by Mr. Watt of the Dominion Millers' Association, that the Canadian steamship companies carried American flour sometimes at a lower rate than they would give on Canadian flour, was a pure hallucination. I am one of those who are suffering under that hallucination, and it is embodied here in contracts that have been made with the Allan Line for the shipment of flour out of Boston. As a rule we cannot find when these discriminations are being made, because they are naturally concealed from the Canadian shipper, but here is a specific instance. In October, 1906, I learned that the Allan line were quoting a rate of nine and one-half cents on flour out of Boston to Glasgow. I had several shipments that I wished to route that way, and they were demanding from me a rate of 10·71 cents per hundred pounds—a cent and a quarter more than the other rate.

Hon. Mr. LOUGHEED.—From what Canadian port?

Mr. PLEWES.—That rate was from Montreal. In October, flour shippers cannot use the Montreal route at the same rate because our insurance out of Boston costs us 55 cents per hundred dollars all the year round, while in October, in Montreal, it cost us $1.35 per hundred dollars—one hundred per cent more.

Hon. Mr. LOUGHEED.—Can you not get a rate all the year round by the St. Lawrence?

Mr. PLEWES.—No, the rate starts in the early part of the year at seventy cents, and in October it is $1.35, the difference being two and one-half cents per hundred pounds on the flour. For that reason, my Glasgow flour I was desirous of routing via Boston. I went to the agents representing the Allan Line and told them: 'Your line is quoting a rate of nine and one-half cents on flour out of Boston. I want to take some at that rate.' They said, 'We cannot get that rate for you.' I went to my informant and he said, 'I find they are quoting that rate only on American flour.' After thinking the matter over, I went to the representative of an American railroad and said to him: 'The Allan Line, I understand, are willing to take American flour at nine and one-half cents from Boston to Glasgow; could you not book some for me at that rate. Try it through your Boston agent; do not let him know that this flour is going to originate in Canada, and if in the contract they make with you they do not specify that the flour originates in Canada, we will get it.' The result was, while on October 23 and 24 I would have been obliged to book flour that had to go over the Grand Trunk railway or the Canadian Pacific railway to Boston—I could not get that by the American road over the bridge—I would have had to book it at ten shillings flat, 10·71 cents per hundred pounds—I was able to secure a contract through the Erie railroad from the Allan Line at nine and one-half cents per hundred pounds from Boston. That was in the year 1906.

Hon. Mr. SWEENEY.—How much did you save?

Mr. PLEWES.—I saved two and one-half cents on the barrel of flour in freight, and the saving in the insurance was equal to five cents a barrel. It was that much less than the Montreal rate at that particular time.

Hon. Mr. KERR.—That is seven and one-half cents per barrel?

Mr. PLEWES.—Yes, seven and one-half cents per barrel, which is more than the average profit on the flour I handle.

Hon. Mr. THOMPSON.—Has that occurred since 1906?

Mr. PLEWES.—We have reason to suspect that it has occurred. I will file these contracts.

NATIONAL DESPATCH—GREAT EASTERN LINE.

Operating in connection with

GRAND TRUNK RAILWAY SYSTEM, CENTRAL VERMONT RAILWAY COMPANY, BOSTON AND MAINE RAILROAD, AND CONNECTIONS.

GEORGE PEPALL,
Canadian Agent,
Room 309 Union Station,
Toronto, Can.
Phone Main 4706.

D. T. LAWRENCE, Manager,
228 Prudential Building,
Buffalo, N.Y.

1735.

TORONTO, ONT., Oct 23, 1906.

Mr. DAVID PLEWES,
Board of Trade Building,
Toronto, Ont.

DEAR SIR.—Have booked you four hundred and seventy sacks flour to Glasgow via Boston and Allan Line at an ocean rate of ten shillings flat or 10·71 cents per 100 lbs. as per my contract 353.

Please have your shipping bills made out on Mystic wharf, Boston, via Grand Trunk, Central Vermont and Boston Maine railways.

Thanking you very much for the traffic, I remain,

Yours truly,

(Sgd.) GEO. PEPALL,
Canadian Agent.

NATIONAL DESPATCH—GREAT EASTERN LINE.

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Toronto, Can.
Phone Main 470.

D. T. LAWRENCE, Manager,
228 Prudential Building,
Buffalo, N.Y.

1735

TORONTO, ONT., Oct. 24, 1906.

Mr. DAVID PLEWES,
Board of Trade Building,
Toronto, Ont.

DEAR SIR,—Have booked you 450 sacks flour to Glasgow at an ocean rate of ten shillings flat via Allan Line as per my contract 357. Please have shipping bills made out on Mystic wharf, Boston, via G.T., C.V. and B. and M. Rys., and very much obliged.

Yours truly,

G. PEPALL,
Canadian Agent.

ERIE RAILROAD COMPANY—CONTRACT No. F—265.

General Canadian Agency,
Toronto, October 26, 1906.

To Mr. D. PLEWES,
Toronto, Ont.

DEAR SIR,—I beg to advise having booked for your account 450 sacks flour, from Boston, Mass. to Glasgow, Scotland, via per Allan Line , at 9½ cents per 100 lbs. Shipment within ten days from date of contract, unless otherwise arranged. All contracts subject to change in rail rates after ten days.

Date.	B.L. No.	No. of Packages.	Date of Sailing and Steamship.
	Sale No. 432 P.M. 244		
	October and first half November shipment from West. Not to be shipped from G.T. or C.P, Points.		

Enter Bills of lading as you receive them.

M. MACGREGOR,
Canadian Agent.

Hon. Mr. LOUGHEED.—Is this documentary evidence, evidence of the rate quoted you from Montreal as well as from Boston.

Mr. PLEWES.—No.

Hon. Mr. LOUGHEED.—What evidence have you of that ?

Mr. PLEWES.—My recollection; I remember the Montreal rate. The Montreal rate was the same as the Boston rate, and the only reason why we did not book by Montreal that time was the difference in the insurance.

Hon. Mr. LOUGHEED.—I thought you said it was in excess of the Boston rate.

Mr. PLEWES.—No, the Montreal freight rate was the same as the Boston rate that they quoted to the Canadian shipper, 10.71 cents per hundred pounds, but the insurance was less by Boston. They were quoting a less rate to United States shippers. As a rule we cannot find out when these discriminations exist.

Hon. Sir MACKENZIE BOWELL.—If you were shipping Canadian flour by Boston they would charge you the same as if you sent it by Montreal ?

Mr. PLEWES.—Exactly.

Hon. Sir MACKENZIE BOWELL.—But if it was United States flour shipped from Boston to Glasgow by the Allan Line it would be that much less than Canadian flour?

Mr. PLEWES.—Yes.

Hon. Mr. MCMILLAN.—What has that to do with this Bill?

Mr. PLEWES.—Mr. Watt introduced that yesterday, and I was just referring to it in passing. It is an argument in this way: they say that under the provisions of the Harter Act they cannot afford to carry flour as cheaply as under the bill of lading used here, but the evidence I have furnished shows that they carry it cheaper when it suits them.

Hon. Mr. KERR.—In other words the Harter Act does not apply ?

Mr. PLEWES.—Yes. Representatives of the steamship interests have advanced the argument that the effect of this Bill is largely to transfer from the insurance company to the steamship company those liabilities from which the steamship company exempt themselves under their present form of bill of lading, and their argument is that the shipper can insure these risks at a lower cost to himself than he would have to pay if the steamship company carry them and charged for it in the rate. In support of this argument, reference has been made to the so-called all risk insurance, and the impression at first was given that that was an ordinary style of insurance that any shipper could get, but it is a very special form of insurance and is confined solely to the two commodities of flour and oatmeal. The insurance companies will not insure any other class of commodities except flour and oatmeal under that style of insurance, and while flour and oatmeal form an important part of our exports, after all they are relatively a small proportion. Grain cannot be insured under the all-risk clause, neither can butter, cheese, apples, &c.; they have to be covered by an ordinary marine insurance policy, and under the ordinary marine insurance policy the underwriters are not liable for these things that the steamship companies exempt themselves from.

Hon. Mr. LOUGHEED.—What risks do they accept?

Mr. PLEWES.—I am reading from a copy of the policy that I have with the Royal Exchange Assurance Company, of London. I may say that marine insurance policies, like bills of lading, contain the same clauses. This policy contains the following :—

'Touching the adventures and perils which the said assurers are contented to bear and take upon themselves in this voyage, they are of the seas, fires, pirates, rovers, assailing thieves, jettisons, barratry of the master and marine, and all other like perils and disasters that have or shall come to the said goods and merchandises or any part thereof.'

Now, under that form of insurance we are merely insured against the ordinary perils of the seas in shipping grain and these other commodities. They cannot be insured against damage resulting from improper stowage. If through negligence a steamship employee puts into some hold with my No. 1 hard wheat a quantity of feed or other low grade wheat, the steamship company are not liable, and the insurance company will not pay a loss of that kind, and the shipper or consignee has to stand that loss. They have nothing to do with loss by negligence, faulty loading, bad stowage or anything of that kind.

Hon. Mr. THOMPSON.—Have shippers suffered loss from causes of that kind ?

Mr. PLEWES.—They have. I heard of a case only last week. A shipment of apples were sent to Liverpool and the barrels were all smeared with cattle manure. The steamship company would not pay the damage and the insurance companies were not liable and the shipper had to bear the loss.

Hon. Sir MACKENZIE BOWELL.—Is there not a flat policy which covers everything.

Mr. PLEWES.—There is not, except on flour and oatmeal. For an ordinary marine insurance policy, such as we get on grain, the present premium is twenty to twenty-two and one-half cents per hundred dollars. For the all risk insurance that we take on flour and oatmeal we pay three times as much and sometimes more. Seventy cents is the lowest rate we get on any line out of Montreal. This is what has been described as an infinitesimal amount.

Hon. Mr. LOUGHEED.—That would be the same class of policy as was mentioned in the evidence of Mr. Loines who represented the underwriters here ?

Mr. PLEWES.—Yes.

Hon. Mr. LOUGHEED.—He made the statement as to that which is as follows :—

'What I would call the transportation damage—the premium for transportation damage to goods—is the same via United States ports as it is by Canadian ports? —A. For the incidental risk of transportation over and beyond the risks covered by policies of marine insurance, there is no difference.'

Your statement is to the contrary.

Mr. PLEWES.—No, on the all-risk policy out of Boston.

Hon. Mr. LOUGHEED.—This is simply transportation risks, damages while en route?

Mr. PLEWES.—The ordinary perils of the sea.

Hon. Mr. LOUGHEED.—For the incidental transportation risks there is no difference between the rates in the United States and the rates in Canada, he says.

Mr. PLEWES.—He is mistaken about that. I get an all-risk rate of 60 cents on the Allan Line from Boston to Glasgow, and 60 cents on the Allan Line from Portland to Glasgow, but I have to pay 70 cents on the Allan Line from St. John to Glasgow, and the rate varies from 70 cents to $1.35 according to the time of the year from Montreal to Glasgow.

Hon. Mr. PERLEY.—That is in consequence of the greater danger in the St. Lawrence river ?

Mr. PLEWES.—Yes, just at the close of the season. The rate is about 15 per cent higher on the Allan Line from Montreal all the year round. The lowest rate we get out of Montreal is about 15 per cent higher than the all-year rate from Boston.

Hon. Mr. MCSWEENEY.—How do you find the rate on cheese and other produce of that kind ?

Mr. PLEWES.—I do not handle cheese.

Hon Mr. LOUGHEED.—Might I direct your attention to where this is further accentuated, at the bottom of page 41 of No. 2 report. The question is put by Mr. Meredith :

'So that in so far as the premium for damage to goods in transportation is concerned, leaving aside the ordinary marine risk, the premium is the same ?—A. It is.

'Q. Both by Canadian and United States ports?—A. Both by Canadian and United States ports.

'Q. Even taking into consideration the terms on the Canadian bills of lading ? —A. Quite so.'

So that the witness representing the underwriters accentuated that ?

Hon. Mr. KERR.—That is on the all-hazard policies he says.

Hon. Mr. LOUGHEED.—Putting aside the marine risk and dealing with damage in transportation, he emphatically states that there is no difference between the Canadian and the United States routes ?

Mr. PLEWES.—He is referring all the time to the all-risk.

Hon. Mr. KERR.—He says so on page 42.

'Q. That is the all-hazard policy you are speaking of ?—A. Yes, I refer now to the all-hazard clause.

'Q. Does that come under what is called the all-risk clause ?—A. Exactly.

Q. You say it is the same from New York as it would be from Montreal ?—A. The transportation risk, exclusive of the marine hazard, is the same from the interior part of the United States or the western provinces.'

Hon. Mr. LOUGHEED.—That deals with the same class of insurance that Mr. Plewes is now dealing with. I understand your contention is that on account of the absence of what we may term the Harter provision in our bill of lading in Canada, you cannot get the same rate covering damages in transportation in Canada as in the United States ?

Mr. PLEWES.—Those damages that are covered by the Harter Act, and that are exempted on our bill of lading, the insurance companies do not assume at all. We cannot insure against them. The Marine Insurance companies do not insure you against negligence on the part of the steamship company, outside of the all-risk policy. You cannot get an insurance on grain insuring you against negligence on the part of the steamship company. On the all-risk we pay three times as much premium as on the ordinary policy. The insurance companies insuring goods out of Boston that are shipped under the provisions of the Harter Act do not assume these risks of negligence. They are imposed on the steamship company by the Harter Act. On shipments out of Montreal, the insurance company do not assume the risk of negligence, improper stowage and so on, nor are they assumed by the carrier either, and they are borne by the shipper. Shippers by United States ports are insured against perils of the sea and other things that the steamship companies should be exempt from, they are assumed by the insurance companies and the risk of negligence and improper stowage are assumed by the steamship company.

Hon. Mr. MCSWEENEY.—And you are handicapped by paying higher insurance rates by Canadian routes ?

Mr. PLEWES.—Yes. The risk is greater by the St. Lawrence route, and the difference in the ordinary marine insurance is caused by that.

Hon. Mr. PERLEY.—How do you propose to overcome that ?

Mr. PLEWES.—We cannot overcome it. We are not objecting. All we are asking is that the steamship company shall assume these risks of negligence. Negligence on the part of the steamship companies employees is not the result of faults of the St. Lawrence route.

Hon. Mr. THOMPSON.—On page 43 of the report Mr. Loines is reported as saying :

'We can only tell by what has been the experience before the passage of the Harter Act and since the Harter Act. The Harter Act has not affected the rate of insurance.'

Hon. Mr. PERLEY.—If the transportation were bound to give better protection to the goods, would that make the insurance less?

Mr. PLEWES.—I think it would have a tendency to make the insurance less.

Hon. Mr. CAMPBELL.—The less the risk the less the rate ?

Mr. PLEWES.—Certainly. Competition between the insurance companies will bring the rate down to a reasonable profit on the business.

Hon. Mr. PERLEY.—That is if they are made responsible for the care of the goods?

Mr. PLEWES.—Yes. If they can collect these things arising from negligence from the insurance companies they are going to charge so much less for the risk they assume, but that refers of course to the all-risk clause. Now, I will deal for a moment with the question of the all-risk insurance that we get on flour and oatmeal.

The all-risk form of insurance policy contains clauses and conditions. It is not an absolute contract on the part of the insurance company. They say you have to comply in order to get the benefit of this insurance, with certain conditions that are set forth in your policy. If you violate those conditions we will not be responsible, your insurance is void. Now I will read a clause from the Grand Trunk Railway form of through-bill. It is as follows:—

'And it is further agreed that the shipper must insure all insurable property, and in case of any loss for which the Grand Trunk Railway Company or its connections are liable, the company or carrier so liable shall be entitled to the benefit of such insurance in estimating the damages to be paid by such carrier, and the insurer shall not be subrogated to any rights against such carrier.'

That is the through-bill form. Then the clause appears in this form in the ocean bill of lading :

'The shipowner is not to be liable for any damage to any goods however caused which is capable of being covered by insurance.'

Hon. Mr. McSweeney.—They are substantially the same.

Mr. Plewes.—Substantially the same. The carriers say after having exempted themselves from almost every form of liability, 'If you find there is anything we are liable for, you must find a surety for carrying out the contract we make with you, and as sure as you find a surety that releases us from liability and you look to your safety.'

Hon. Mr. Thompson.—You say they will not insure the all-risk form for grain?

Mr. Plewes.—No.

Hon. Mr. Thompson.—Now, if you cannot insure in that way, does not that create loss a liability on the ship?

Mr. Plewes.—No, because they exempt themselves by their bill of lading.

Hon. Mr. Thompson.—Their exemptions clear them of that. Why do they put in that feature of it that you shall insure against any damage of loss you may sustain that is capable of insurance, if they make the exemptions clear and are exempt anyway?

Mr. Plewes.—I do not know. They put in every clause and exempt themselves, and they finally wind up and say the thing is totally at the shippers risk. These clauses have been built up so that they overlap. I have read these clauses that appear in the bills of lading regarding insurance. Now, the insurance companies say to us, 'If you accept the bill of lading with such clauses you viciate your insurance.' I read first from my policy with the Royal Exchange Assurance Company. It contains this clause :

'It is also understood and agreed that in case any agreement be made or accepted by the assured with any carrier by which it is stipulated that such or any carrier shall have in case of any loss for which he may be liable the benefit of this insurance, or exemption in any manner from responsibility grounded on the fact of this insurance, then and in that event the insurers shall be discharged of any liability for such loss hereunder.'

I have another policy with the Indemnity Mutual Assurance Company, of London, England. It puts these clauses in :

'It is agreed that upon the payment of any loss or damage the insurers are to be subrogated to all the rights of the assured under their bills of lading or transportation receipts to the extent of such payments.

It is understood and agreed that in case any agreement be made by the assured with any carrier by which such carrier stipulates to have, in case of any loss for which he may be liable, the benefit of this insurance, then and in that event the insurers shall be discharged of any liability for such loss hereunder.'

I now read from a policy I have with the Western Assurance Company of Toronto, a Canadian Company:

'It is also agreed and understood that in case of loss or damage under this policy the assured, in accepting payment therefor, thereby and by that act assigns and transfers to the assurers all his or their right to claim for the loss or damage as against the carrier or other person or persons, to inure to their benefit, however, to the extent only of the amount of the loss or damage and attendant expenses of recovery, paid or incurred by the said assurers; and any act of the assured waiving or transferring or tending to defeat or decrease any such claim against the carrier, or such other person or persons, whether before or after the insurance was made under this policy, shall be a cancellation of the liability of the assurers for or on account of the risk assured for which loss is claimed.'

Hon. Mr. Lougheed.—That clause of subrogation is practically in every policy.

Mr. Plewes.—The moment we accept a bill of lading containing these clauses

we release the insurance companies. They say we will not be liable for anything if the shipper accepts a contract containing these clauses.

The CHAIRMAN.—In other words you are not insured at all.

Mr. PLEWES.—Legally we have not a claim against either.

Hon. Mr. MCSWEENEY.—You are between the devil and the deep sea.

Mr. PLEWES.—Yes. The steamship company impose these conditions on the shipper in the bill of lading, and if he accepts a bill of lading with these clauses in he releases the insurance company. The result is what ? Take that bill of lading and that insurance policy and pin them together and what is left ? There is only the liability on our part to pay freight on the one hand, and to pay insurance premiums on the other, and these are the two liabilities with which we go to the bank and ask them to make an advance on.

Hon. Mr. CAMPBELL.—And we cannot get any other bill of lading.

Mr. PLEWES.—We cannot get any other bill of lading or any other form of insurance.

Hon. Mr. Ross (Middlesex).—Do the banks accept that insurance ?

Mr. PLEWES.—They do. The banks were not aware of this condition of things.

The CHAIRMAN.—Sir George Drummond stated at the first meeting of this committee that the banks were really not aware of the condition and exemptions contained in these bills of lading, particularly the banks in the west, because they never saw them. All they got was the railway bill of lading, and that was subject to the steamship companies' bill of lading.

Hon. Mr. MCSWEENEY.—What was the president of the Hamilton Bank doing all this time ?

The CHAIRMAN.—He was in the same position as the others; he never saw them.

Mr. PLEWES.—Now, I do not propose to refer further to any other objectionable clauses in the bill of lading. They have been already dealt with by the previous speakers. Mr. Mitchell, last night, said that the theory of a contract between a shipper and a steamship company is that it is a joint adventure, a sort of partnership. What are we to think of a partner who says to his partner you assume all the risks and I take all the money in the shape of freight. The question has been asked here who are the London Flour and Corn Trade Association whose circular is before you ? Mr. Goldie also put in the letter of the Glasgow Flour Association. These two associations comprise in their membership a majority of the importers of grain and flour in the United Kingdom. London and Glasgow are the chief importing centres where the merchants are associated, and they are the men who determine whether the flour and grain that go to meet the demand from the mother country shall go from Canada, from the United States or from the Argentine. They are the men that buy it and bring it in, and they practically determine where it shall come from. My correspondents in that line and the correspondents of other members have said to us: 'The contract that you secure from the carrying companies for us is not as favourable as that which your competitors in the United States and Australia secure. If you cannot secure for us as favourable a contract as your competitors in other countries get, they are going to secure the business.' Now, the result is to-day I cable a merchant in London or Glasgow an offer of Canadian flour at say twenty-five shillings per sack, the current price to-day. A mill in Ohio offers him the same brand at twenty-five shillings. He will accept the Ohio man's flour, because my correspondents have said to me 'at the same price your American competitors will get our business and you will not so long as you furnish us with this form of bill of lading.' My competitor in Ohio gets that order; I do not hear from my man. Perhaps he comes back to me the next lowest offer, twenty-four shillings and nine pence, that is three pence per hundred pounds, equal to about four and one-half cents a barrel of a difference, that is the least difference he will make.

Hon. Mr. LOUGHEED.—At whose risk would that flour be shipped?

Mr. PEWES.—At the consignee's risk. We sell the stuff under certain insurance and freight terms. When we hand the goods to the carrier and procure his contract

for carrying and take out an insurance policy, that is all we have to do, and that is why the men who have suffered most are not here. The men who have suffered most are the importers in Great Britain and other countries.

Hon. Mr. McSweeney.—You do not sell it delivered?

Mr. Plewes.—No, we sell it f.o.b., practically, plus the insurance. They have said to us: 'Our position is so much worse under the contract that you secure for us that we cannot give you business at the same price as your competitor.' Suppose they come back at me and say: 'We will give you two-pence less.' the least difference they can make, that means four and one-half cents a barrel, or one cent on the bushel on every bushel exported; that is the extent to which the farmers of this country suffer from this difference in these two contracts.

Hon. Mr. Thompson.—The difference between the exemptions under the Harter Act and ours amounts to that?

Mr. Plewes.—Under the Harter Act every risk that the steamship does not assume, the insurance company will assume. Under our act there is loss and damage by negligence, improper stowing and all that sort of thing, which neither the steamship company nor the insurance company assume, and which the shipper or the consignee has to assume.

The Chairman.—Then what about the freight rate? Is not that against you also?

Mr. Plewes.—Except in very exceptional circumstances I have never known the through rate on flour by way of Montreal to be less than I could get by a United States port. The Montreal rate is, if anything, higher.

The Chairman.—That is against you?

Mr. Plewes.—That is against us.

Hon. Mr. McSweeney.—I should think from all ports the grain rate would be the same. Package stuff is where the great difference is.

Mr. Plewes.—The grain freights just now are rather higher out of Montreal than they are out of United States ports on account of the demand for export of Manitoba wheat, which goes via Montreal.

Hon. Mr. Domville.—You say the insurance is no good. Are the companies paying up their insurance right along for damages?

Mr. Plewes.—They are, just as Mr. Thoms says, paying any claim they think is just.

Hon. Mr. Domville.—They are paying up right along, are they?

Mr. Plewes.—I do not know whether they are or not. All I know is the man whom I am selling this flour to says: 'We are not in as favourable a position as your competitors.'

Hon. Mr. Domville.—Why do they pay up if they are not bound to pay under the policy?

Mr. Plewes.—Just the same as the steamship companies pay, although they are exempt. They may go on for years paying claims of $50 to $100, and some day when a claim comes for $5,000 they may cite these conditions in their policy, and we are ruined.

Hon. Mr. Domville.—We have one of the largest shipping firms in Canada—the Thompson Company—and we see a good deal of what is going on, and we have never heard of a case of refusal to pay just claims. The Thompson line have some twenty-six vessels, and if they are not the largest they are the second largest shipowners in Canada.

Mr. Plewes.—No doubt, they do as the other lines have been doing. The Thompson line pay a claim as a matter of grace, but we do not know when a case may arise when they will consider it in their interest to act on these clauses on the bill of lading. The presence of clauses like that puts a premium on negligence. A master, stevedore or other employee of a steamship company, if he knows that his employer is going to suffer if he is careless, will be careful; but if he knows that his employer is not in any way liable and the only man who is to suffer is a thousand or three

thousand miles away, he will be less careful than he would be if he knew it was going to affect his employer.

Hon. Mr. LOUGHEED.—Can you speak of damages that have occurred in transportation in your own experience?

Mr. PLEWES.—I have had a case where flour was damaged by taint. That was a shipment on which I did not have an all-risk insurance, and the loss was a very serious one—about $150 on a small car of flour. There was a taint. We made a claim on the New York Central Railway, and they said it did not occur on their line. They said: 'We will pass it on to the boat.' The boat said: 'It did not occur on our line,' and I had to stand the loss.

Hon. Mr. THOMPSON.—Was that shipped through the States?

Mr. PLEWES.—That was shipped through the States, but I did not have an all-risk insurance on that.

Hon. Mr. LOUGHEED.—That is not a case in point.

Hon. Mr. CAMPBELL.—As a matter of fact, a great many losses are paid in the old country that we do not know anything about.

Hon. M. LOUGHEED.—What knowledge have you, from your own experience, as to damages having arisen in shipping from Canadian ports?

Mr. PLEWES.—We do not make the claim under insurance companies.

Hon. Mr. LOUGHEED.—Have you had a case in which any of your goods shipped from Canadian ports have been damaged?

Mr. PLEWES.—I have never had occasion to make a claim. The consignee is the one who makes the claim.

Hon. Mr. LOUGHEED.—Have you any knowledge of claims for damages, that have arisen on the Canadian route, that were put in by consignees?

Mr. PLEWES.—They do not refer them to us.

Hon. Mr. LOUGHEED.—Your attention has not been directed to them?

Mr. PLEWES.—No, our attention has not been directed to them.

Hon. Mr. JAFFRAY.—I think the effect of this clause is, in cases of damages arising, the party making the claims would be glad to compromise rather than go into court.

Mr. PLEWES.—The man with whom I do my marine insurance has shown me a list of claims put into them repeatedly.

Hon. Mr. DOMVILLE.—On the other side of the water?

Mr. PLEWES.—Yes.

Hon. Mr. DOMVILLE.—And they would not pay the claims in England?

Mr. PLEWES.—The insurance people had paid these claims so far. They were small claims of ten, fifteen or twenty dollars. They had paid some and the steamship companies had paid some, too.

Hon. Mr. DOMVILLE.—The inference to be drawn from statements made here is that because the clauses are drawn as they appear in these bills of lading the steamship companies and the insurance companies will not pay claims.

Mr. PLEWES.—I can only go by the terms of the contract I have got.

Hon. Mr. CAMPBELL.—Whether they pay or not, why should they have that power?

Hon. Mr. DOMVILLE.—There are two sides to the question. I am somewhat interested in this question, though not directly. It would seem strange to accept hearsay evidence. Here is one thing that has been overlooked. This bill of lading says: 'Provided the shipowner has exercised due diligence.' That compels the ship to take that risk.

Hon. Mr. CAMPBELL.—That is in the Bill, too.

Hon. Mr. DOMVILLE.—I am looking to the shipowners of Canada, and I think they should have every consideration. They have shown every consideration for the shipper who has goods to ship.

Hon. Mr. CAMPBELL.—I would ask you, Mr. Plewes, if your attention has been drawn to the bills of lading issued, say, by the White Star Line, the Cunard Line or

the Anchor Line from New York, and how they compare with the bills issued by the Dominion, the Allan and the Thompson lines from Montreal?

Mr. PLEWES.—Yes, I have compared them. The clauses that we object to here do not appear in the steamship bills of lading that are issued from New York and Boston, with one or two exceptions.

Hon. Mr. CAMPBELL.—For instance, in the bill of lading issued by a steamship company from Montreal there is this clause:—

'The ship shall not be liable for hook marks or injury from hook or stowage, or contact with the smell or evaporation from any goods, or from live stock or their excretions, however caused.'

That is in nearly all the bills of lading issued by lines from Montreal. Do you find that clause in any bill of lading issued by the Cunard, the White Star, the Anchor or the Allan Line from United States ports?

Mr. PLEWES.—No, that clause is not in any of the bills of lading that I have seen.

Hon. Mr. CAMPBELL.—There is another clause here:—

'But, nevertheless, the goods may be delivered to the consignee named herein without the production of an endorsed bill of lading, and such delivery shall free the master, owner and agents from all liability to deliver to any other person.'

Do you find any such clause as that in any bill of lading issued from a United States port?

Mr. PLEWES.—No.

Hon. Mr. CAMPBELL.—Here is a clause in these United States bills of lading which I think is very reasonable, and it is printed in big letters:—

'Also, that this bill of lading, duly endorsed, be given up to the steamer's consignee in exchange for delivery order.'

Now, that clause, in exactly these words, appears in all bills of lading issued by the American Line, the White Star, the Cunard, the Anchor and all other lines coming under the Harter Act. I say that is right, and it should be in every bill of lading.

Hon. Mr. LOUGHEED.—What bill of lading will those United States companies issue from Canadian ports, assuming they carry from Canadian ports.

Mr. PLEWES.—We are to have the White Star line next season I believe.

Hon. Mr. LOUGHEED.—Are there isolated instances where they carry goods from Canadian ports ?

Hon. Mr. MCSWEENEY.—If they did, they would use the Canadian shipping bill.

Hon. Mr. CAMPBELL.—I have here the bill of lading of the Allan line. It is not as objectionable as the bills of lading issued by the Dominion and some other lines, but it still has a great many of these objectionable clauses.

Hon. Mr. MCSWEENEY.—Wherein does it differ from the others ?

Hon. Mr. CAMPBELL.—In the Allan Line bill of lading they do not make any reference to damage from excretions of cattle. They put in resulting from hook marks, stowage or contact with or smell or evaporation from any other goods. They leave out excretions from cattle, but that is included among the exemptions in the others. When I take the bill of ading of the Allan Line from Boston I find it very different from the Montreal bill of lading; it comes under the Harter Act in plain big letters—'subject to the conditions and terms of the Harter Act.' Even if they put these clauses in the bill of lading from Boston, they would be null and void and of no effect. Mr. Watt, as I understood, stated yesterday that they had only one bill of lading—that it was the same from all ports. Now here are the two bills of lading, and I just want to point out that in their bill of lading issued at United States ports you will find in big letters 'Subject to the terms and conditions of the Harter Act.' You have looked over those United States bills of lading, you say, and you find that in all of them there are no such clauses as appear in the bill of lading from Montreal ?

Mr. PLEWES.—That is the case.

Hon. Mr. CAMPBELL.—It has been stated that the insurances are not affected by these clauses. Halifax is the safest and best harbour on the Atlantic coast, and St.

John one of the best harbours to be found in any country in the world, certainly comparing with Boston, Portland or New York. Is it not a fact that the rate of insurance from Halifax and St. John is very much higher than it is from New York, Boston or Portland ?

Mr. PLEWES.—About fifteen per cent all-risk.

Hon. Mr. CAMPBELL.—And yet these gentlemen say that because the shipments from Boston and New York go under the Harter Act, whereas from Halifax and St. John they go under our ridiculous, monstrous, outrageous bills of lading, that these gentlemen have not the face to defend here before this committee——

Hon. Mr. DOMVILLE.—My honourable friends should proceed calmly. Who charges the insurance ? Is it not the insurance companies ?

Hon. Mr. CAMPBELL.—The underwriters.

Hon. Mr. DOMVILLE.—Why do they discriminate against St. John and Halifax ?

Hon. Mr. CAMPBELL.—Because under the bills of lading issued from Portland and other United States ports, the steamers are required, but with us it is different, and, therefore, the people of St. John and Halifax are discriminated against. While we have been spending millions in developing that trade, deepening those harbours and trying to foster the trade of our own ports, here are those patriotic steamship companies, which are getting subsidies from the Canadian people, taking trade away from us, and helping to build up the trade of foreign ports.

Hon. Mr. DOMVILLE.—My hon. friend is hardly just in what he says. I have no doubt he feels strongly on this subject. He makes the statement that millions are spent in deepening and improving the harbours of Halifax and St. John by the people of Canada.

Hon. Mr. CAMPBELL.—By the Dominion.

Hon. Mr. DOMVILLE.—Not at all. The city of St. John has paid for the deepening of its harbour.

Hon. Mr. CAMPBELL.—So much the worse for the people of St. John.

Hon. Mr. DOMVILLE.—The honourable gentleman is attacking St. John——

Hon. Mr. CAMPBELL.—Not at all. I am pointing out the difference between the rates charged and showing the discrimination against the port of St. John.

Hon. Mr. MCMILLAN.—To what do you attribute that excessive charge for insurance from Halifax and St. John ? You say the difference is about fifteen per cent.

Mr. PLEWES.—The all-risk rate is seventy cents per hundred dollars from Halifax and St. John as against sixty to sixty-five cents from New York and Boston.

Hon. Mr. MCMILLAN.—To what do you attribute that difference ?

Mr. PLEWES.—I attribute it to the difference in the bills of lading.

Hon. Mr. MCMILLAN.—That is, under the Harter Act they will insure for less?

Mr. PLEWES.—Exactly. Because the underwriter has some recourse against the steamship company which he has not under the Canadian bill of lading.

Hon. Mr. MCMILLAN.—There must be some good reason for it.

Mr. PLEWES.—That is what I attribute it to.

Hon. Mr. CAMPBELL.—St. John and Halifax, it seems to me, are just as safe ports as New York, Boston or Portland, and the rate should be the same. If we got the same bill of lading we should have the same rate.

Hon. Mr. DOMVILLE.—This is an insurance matter. Mr. Plewes has only given an opinion, but he has given no evidence.

Examined by Mr. Meredith, K.C.:

Q. In answer to Mr. Campbell you said that you did not find any objectionable clauses in the United States bills of lading such as you find in Canadian bills of lading ?—A. I said with one or two exceptions.

Q. Have you seen the Atlantic Transport Company's New York and London bills? —A. No, the bills I examined are principally Boston bills of lading of the Cunard, White Star, and others.

Q. Look at the bill of lading of the Atlantic Transport Company, which is as follows :

ATLANTIC TRANSPORT COMPANY.

Received, in apparent good order and condition, by the Atlantic Transport Line, from. . . . . to be transported by the steamship. . .. . .to sail from the port of New York and bound for London, with liberty to call at any port or ports in or out of the customary route, or failing shipment by said steamer in and upon a following steamer. . . . . being marked and numbered as per margin, shipper's weight (quality, quantity, gauge, contents, weight and value unknown), and to be delivered in like good order and condition at the port of London, or so near thereto as she may safely get, unto. . .. . .or to his or their assigns, he or they paying charges as per margin, also freight and primage, immediately on discharge of the goods without any allowance of credit or discount, at the rate of. . .. . gross intaken weight or measurement, or gross weight or measurement delivered, at steamer's option. One pound sterling to be considered equal to $4.80 United States gold currency, except that when ocean freight is prepaid, when exchange shall be figured at current sight rates. Any freight not paid within seven days from final discharge of the steamer is to bear interest at the rate of five (5) per cent per annum.

It is mutually agreed that the steamer shall have liberty to sail with or without pilots; that the carrier shall have liberty to convey in craft and (or) lighters to and from the steamer at the risk of the owners of the goods; and, in case the steamer shall put into a port of refuge, or be prevented from any cause from proceeding in the ordinary course of her voyage, to tranship the goods to their destination by any other steamer; that the carrier shall not be liable for loss or damage occasioned by perils of the sea or other waters; by fire from any cause or wheresoever occurring; by barratry of the master or crew; by enemies, pirates or robbers; by arrest or restraint of princes, rulers, or people, riots, strikes or stoppage of labour; by explosion, bursting of boilers, breakage of shafts, or any latent defect in hull, machinery or appurtenances, or unseaworthiness of the steamer, whether existing at time of shipping or at the beginning of the voyage, provided the owners have exercised due diligence to make the steamer seaworthy; by heating, frost, decay, putrefaction, rust, sweat, change of character, drainage, leakage, breakage, vermin, or by explosion of any of the goods, whether shipped with or without disclosure of their nature, or any loss or damage arising from the nature of the goods or the insufficiency of the packages; nor for inland damage; nor for the obliteration, errors, insufficiency or absence of marks, numbers, address or description; nor for risk of craft, hulk or transhipment; nor for any loss or damage caused by the prolongation of the voyage; and that the carrier shall not be concluded as to correctness of statements herein of quality, quantity, gauge, contents, weight and value. General average payable according to York-Antwerp rules. If the owner of the steamer shall have exercised due diligence to make said steamer in all respects seaworthy and properly manned, equipped and supplied, it is hereby agreed that in case of danger, damage, or disaster, resulting from fault or negligence of the pilot, master or crew in the navigation or management of the steamer, or from latent or other defects, or unseaworthiness of the steamer, whether existing at the time of shipment or at the beginning of the voyage, but not discoverable by due diligence, the consignees or owners of the cargo shall not be exempted from liability for contribution in general average, or for any special charges incurred, but with the steamer owners shall contribute in general average and shall pay such special charges as if such danger, damage or disaster had not resulted from such fault, negligence, latent or other defects or unseaworthiness.

It is also mutually agreed that this shipment is subject to all the terms and provisions of, and all the exemptions from liability contained in the Act of Congress of

the United States, approved on the 13th day of February, 1893, and entitled 'An Act relating to the navigation of vessels,' etc.

1. It is also mutually agreed that the value of each package receipted for as above does not exceed the sum of one hundred dollars, unless otherwise stated herein, on which basis the rate of freight is adjusted.

2. Also, that the carrier shall not be liable for articles specified in section 4291 of the Revised Statutes of the United States, unless written notice of the true character and value thereof is given at the time of lading and entered in the bill of lading.

3. Also, that the shipper shall be liable for any loss or damage to steamer or cargo caused by inflammable, explosive or dangerous goods shipped without full disclosure of their nature, whether such shipper be principal or agent; and such goods may be thrown overboard or destroyed at any time without compensation.

4. Also, that the carrier shall have a lien on the goods for all freights, primages and charges, and also for all fines or damages which the steamer or cargo may incur or suffer by reason of the illegal, incorrect or insufficient marking, numbering or addressing of packages or description of their contents.

5. Also, that in case the steamer shall be prevented from reaching her destination by quarantine, the carrier may discharge the goods into any depot or lazaretto, and such discharge shall be deemed a final delivery under this contract, and all the expenses thereby incurred on the goods shall be a lien thereon.

6. Also, that the steamer may commence discharging immediately on arrival and discharge continuously, any custom of the port to the contrary notwithstanding, the collector of the port being hereby authorized to grant a general order for discharge immediately on arrival, and if the goods be not taken from the steamer by the consignee directly they come to hand in discharging the steamer, the master or steamer's agent to be at liberty to enter and land the goods or put them into craft or store at the owner's risk and expense, when the goods shall be deemed delivered and steamer's responsibility ended, but the steamer and carrier to have a lien on such goods until the payment of all costs and charging is incurred.

7. Also, that if on a sale of the goods at destination for freight and charges, the proceeds fail to cover said freight and charges, the carrier shall be entitled to recover the difference from the shipper.

8. Also, that full freight is payable on damaged or unsound goods; but no freight is due on any increase in bulk or weight caused by the absorption of water during the voyage.

9. Also, that in the event of claims for short delivery when the steamer reaches her destination, the price shall be the market price at the port of destination on the day of the steamer's entry at the custom house, less all charges saved.

10. Also, that merchandise on wharf awaiting shipment or delivery be at owner's risk of loss or damage not happening through the fault or negligence of the owner, master, agent or manager of the steamer, and custom of the port to the contrary notwithstanding.

11. Also, that this bill of lading, duly endorsed, be given up to the steamer's consignees in exchange for delivery order.

12. Also, that freight prepared will not be returned, goods lost or not lost.

13. Also, that parcels for different consignees collected or made up in single packages addressed to one consignee, pay full freight on each parcel.

14. Also, that the steamer has liberty to carry live stock on deck aboard, or under deck.

15. Also, carrier not liable for splits, shakes, or breakage to lumber or logs.

London clauses (A).—The steamer-owners shall at their option, be entitled to land the goods within mentioned on the quays, or to discharge them into craft hired by them, immediately on arrival, and at consignee's risk and expense, the steamer-owners being entitled to collect the same charges on goods entered for landing at the docks as on goods entered for delivery to lighters. Consignees desirous of conveying their

goods elsewhere, shall, on making application to the steamer's agent or to the dock company within 72 hours after steamer shall have been reported, be entitled to delivery into consignee's lighters at the following rates, to be paid with the freight to the steamer's agents against release, or to the dock company, if so directed by the steamer's agent, viz. : Following wooden goods in packages—clothes pegs, spade handles, blind rollers, hubs, spokes, wheels, and oars, 1s. 3d. per ton measurement; hops, 2s. 9d. per ton weight; lumber and logs, 2s. per ton measurement, or 2s. 6d. per ton weight at steamer's option. All other general cargo except slates, 1s. 9d. per ton weight or measurement at steamer's option; minimum charge one ton. Slates to pay 2s. per ton weight. Cheese may also be removed by consignee's vans within one week after steamer shall have reported, subject to a like payment of 3s. 3d. per ton weight, such sum to include loading up and wharfage. Any single article weighing over one ton to be subject to extra expense for handling if incurred. All measurement freight to be on the intake caliper measurement, as stated in margin. Freight by weight (grain excepted) to be paid upon the weight stated in margin, or at steamer's option upon landing weight. If weight has been understated, the cost of weighing to be a charge upon the goods. All shipments of lumber and logs which are sent forward on a weight rate will pay freight on the railroad weight furnished at port of shipment. No alteration will be permitted in any weight or freights included in this bill of lading except at steamer's option.

(B). Grain for overside delivery is to be applied for within 24 hours of steamer's docking, or thereafter immediately it becomes clear. In the absence of sufficient consignee's craft, with responsible persons in charge, to receive as fast as steamer can discharge overside into lighters during dock working hours, the master or agent may land or discharge into lighters at the risk and expense of the consignee. The steamer-owners may land or discharge continuously day and night, any grain landed or discharged for steamer's convenience during usual dock hours, consignee's craft being duly in attendance, and any grain that may be landed or discharged before or after usual dock hours (whether craft are then in attendance or not) is to be given up, free to consignee's craft applying for same within 72 hours from its landing or discharge, otherwise it will be subject to the usual dock charges. An extra freight of 7d. per ton shall be paid to the steamer owners on each consignment of grain whether any portion be landed or not, the grain to be weighed at time of discharge, either on deck, quay or craft at steamer's option. Working out charges (including weighing) for grain in bulk and, or, steamer's bags to be paid by the consignee with the freight to the steamer's agents or to the dock company, if so directed by the steamer's agents, in exchange for release, at the rate of 1s. 9d. per ton on wheat, maize and heavy grain, 1s. 11d. per ton on barley and 2s. per ton on oats. Neither party shall be liable for any interference with the performance of the contract herein contained, which is caused by strikes, or lockout of seamen, lightermen, or shore labourers, whether partial or otherwise, nor for any consequences of such strikes or lockout, but in such case the steamer-owners shall be entitled to land or put into craft at the risk and expense of consignee. In case the grain shipped under this bill of lading forms part of a larger bulk, each bill of lading to bear its proportion of shortage and damage, if any.

(C). Hay, flour, acetone, asphalt, jute, lamp black, resin, varnish, illuminating and oil of all kinds whether animal, vegetable or mineral, and the liquid products of them or any of them. Consignees to have craft in attendance immediately on steamer's docking to take delivery from steamer or quay at steamer-owner's option, working continuously day and, or, night, paying in any case 1s. 3d. per ton weight, or otherwise the goods will be put into captain's entry craft at consignee's risk and expense.

These London clauses 'A,' 'B' and 'C' are to form part of this bill of lading, and any words at variance with them are hereby cancelled.

Craft which are in attendance for delivery under above clauses and stipulations shall wait free of demurrage their regular turn to receive goods or grain as required by steamer-owners either from steamer or quay or captain's entry draft.

The steamer-owners shall have the same lien, right and remedies on goods or

grain referred to in the above clauses or under any other clauses of the bills of lading as they have by law in respect of freight.

Notification clause.—Also, no claims shall, under any circumstance whatever, attach to the steamer or her owners for failure to notify consignees of arrival of goods.

In case the regular steamship service to final port of delivery should be suspended or interrupted, in consequence of ice or other causes, the carrier, at the option of the owner or consignee of the goods, or the holder of the bill of lading, may forward the goods to the nearest available port, this to be considered a final delivery; or to store them at the port of London at the risk and expense of the goods until regular service to final port of destination is opened again.

The exceptions and conditions enumerated in this bill of lading shall apply, not only during the loading and voyage, but during the discharge and until the goods and grain are actually delivered to the consignee and the persons handling the goods and grain in the steamer, on the quays or into lighters, or till delivery to consignees, or to the dock company, shall be deemed the servants of the steamer-owners.

And finally, in accepting this bill of lading the shipper, owner and consignee of the goods and the holder of the bill of lading agree to be bound by all of its stipulations, exceptions and conditions, whether written or printed, as fully as if they were all signed by such shipper, owner, consignee or holder.

In witness whereof, the master or agent of the said steamer has affirmed to. . . . . bills of lading, all of this tenor and date, one of which being accomplished, the others to stand void.

THE ATLANTIC TRANSPORT COMPANY,

AGENTS.

Per. . . . . .

Dated in New York, ..., 190 .

State, as a matter of fact, whether you do not find in that bill of lading practically all the conditions that appear in the Canadian bill of lading, the only difference being that you see 'subject to the Harter Act'?—A. I find a very material difference. There is no reference there to damage by hooks or excretions of cattle.

Q. Will you read the first clause to the committee?—A. It is as follows:—

'It is mutually agreed that the steamer shall have the liberty to sail with or without piltos; that the carrier shall have liberty to convey goods in craft and (or) lighters to and from the steamer at the risk of the owners of the goods; and, in case the steamer shall put into a port of refuge, or be prevented from any cause from proceeding in the ordinary course of her voyage, to tranship the goods to their destination by any other steamer; that the carrier shall not be liable for loss or damage occasioned by perils of the sea or other waters; by fire from any cause whatsoever occurring; by barratry of the master or crew; by enemies, pirates or robbers; by arrest or restraint of princes, rulers or people, riots, strikes or stoppage of labour, at the beginning of the voyage, provided the owners have exercised due diligence to make the steamer seaworthy.'

That clause governs what goes before as to exercising due diligence.

Q. You are commenting now on the bill of lading?—A. Yes.

Q. Did you not find the same clause, provided the carriers had used due diligence, in the Canadian bills?—A. Yes, but I find a different arrangement, and it changes the clauses entirely.

Q. I do not think you have read the whole of that clause?—A. No, it continues:—

'By heating, frost, decay, putrefaction, rust, sweat, change of character, drainage, leakage, breakage, vermin, or by explosion of any of the goods, whether shipped with or without disclosure of their nature, or any loss or damage arising from the nature of the goods or the insufficiency of packages; nor for inland damage; nor for the obliteration, errors, insufficiency or absence of marks, numbers, address or description; nor for risk of craft, hulk or transhipment; nor for any loss or damage caused

by the prolongation of the voyage, and that the carrier shall not be concluded as to correctness of statements herein of quality, quantity, gauge, contents, weight and value. General average payable according to York-Antwerp rules. If the owner of the steamer shall have exercised due diligence to make said steamer in all respects seaworthy and properly manned, equipped and supplied, it is hereby agreed that in case of danger, damage or disaster, resulting from fault or negligence of the pilot, master or crew in the navigation or management of the steamer, or from latent or other defects, or unseaworthiness of the steamer, whether existing at the time of shipment or at the beginning of the voyage, but not discoverable by due diligence, the consignees or owners of the cargo shall not be exempted from liability for contribution in general average, or for any special charges incurred, but, with, the steamer-owners, shall contribute in general average and shall pay such special charges as if such danger, damage or disaster had not resulted from any such fault, negligence, latent or other defects or unseaworthiness.'

That is a materially different clause from the clause that appears in the Montreal bill of lading.

Q. Are you satisfied with this bill of lading?—A. I think if we had had a bill of lading like this——

Q. I am asking if you are satisfied with that bill of lading?—A. I cannot answer that from reading one clause of the bill of lading. I think if we had a bill of lading with this clause there would be very little question.

Q. Subject to the Harter Act, you mean?—A. Yes.

By the Hon. Mr. Beique:

Q. Mention is made in the bill of lading that it is subject to the provisions of the Harter Act?—A. Yes.

Mr. MEREDITH, K.C.—The only point I make is, this gentleman stated there were none of the objectionable features in the United States bills of lading that exist in ours. If he had said we do not object to the United States bills of lading because they are subject to the Harter Act I could have understood him, but I have the principal United States bills of lading in my hands, and will show them to this gentleman and they all contain practically every condition that ours contain, the only difference being that in most of them—there is one exception that I know of—they contain the words 'subject, however, to the Harter Act.'

Hon. Mr. BEIQUE.—That makes a big difference.

Mr. MEREDITH.—I am quite prepared to admit that, but what I want is a correct statement in the minutes.

Mr. PLEWES.—While answering about that clause, I should like to point out to the committee that the only negligence that the steamship companies exempt themselves from under that clause is negligence in navigation or in the management of the vessel, and not in the handling of the goods, which is a very material difference.

Mr. MEREDITH.—I should like Mr. Plewes to look at the bill of lading of the Leland line.

Mr. PLEWES.—I may say that is the worst form I have seen yet.

Mr. MEREDITH.—And the bill of lading of the American line, New York to Southampton, and the Hamburg-American line, the general form from the States; do you not find the same condition that you have just read from the Atlantic Transport Companies bills of lading from New York?

The CHAIRMAN.—In all fairness to the committee, I may say we have had four sittings and the bills of lading have been discussed and every opportunity has been given to the shipping people to show cause why this Bill should not be proceeded with. Now I do not want to stop the discussion, but really the committee feel that we ought to start with this Bill, and whatever defects there may be in it, they can be remedied as we go along. We are getting further and further away from the Bill. Side issues and irrelevant questions are brought up. We are here to improve, if possible, all the conditions, whether contained in United States bills or our own bills.

What we want to do is to pass a Bill that will not only be an improvement on the Harter Act or any other Act, but fair and in the interest of the shipowner, the shipper and the public. That is the judgment of the committee.

Mr. MEREDITH.—I should like to file the one bill of lading which has been read. I understood Mr. Plewes to say that Mr. Watt had made a statement to the effect that rates from Boston were always the same on United States and Canadian goods.

Mr. PLEWES.—I did not make that statement. As I explained that freight was booked from the Boston office. Mr. Watt is in the head office in Montreal.

Mr. MEREDITH.—I wanted to know what your real statement was as to that.

Mr. PLEWES.—What I say is that the Allan line out of Boston have taken flour at a lower rate than they would at the same time take Canadian flour if it was offered to them.

Mr. MEREDITH.—At Boston ?

Mr. PLEWES.—Yes.

Mr. MEREDITH.—Have you the contract for that particular shipment with you ?

Mr. PLEWES.—It is filed.

Mr. MEREDITH.—Mr. Watt is not here. I do not see that it has any particular bearing on this Bill, but he should be allowed to put in his answer to that.

The CHAIRMAN.—Don't you think that between shippers and shipping companies they always try to make a bargain that will secure for their own ship the goods, and one may differ materially from another. That does not affect materially this Bill, If the Americans carry their cargoes for half the price that Canadian shipowners carry, that is the business of the American people.

Hon. Mr. CAMPBELL.—I should like to point out that Mr. Watt was here on the first day of this meeting when that point was brought out and cases were stated. Mr. Watt had that evidence and read it over, and all the lawyers have studied it, and they might have answered it during the two hours that Mr. Watts was giving evidence yesterday.

Hon. Sir MACKENZIE BOWELL.—The question is what effect the Harter Act has had in protecting the interest of the shipper. We have had a great deal of information on that point. I venture the assertion that most of us have learned a great deal more than we knew before on the question of shipping, and the differences that exist between the Atlantic ports in both countries. I would suggest that we proceed now to the consideration of the Bill. I am under the impression that this committee is not prepared to accept the suggestion made by some of those who are in the interest of the shipowner. My impresssion is that the committee have made up their minds to pass this Bill in some shape or other. Let us consider the merits of the Bill and when we strike a clause that the shipowners think would militate materially against their interest, let them suggest an amendment, and if that suggested amendment should commend itself to our judgment we will accept it.

The first two clauses of the Bill were passed without discussion.

On clause 3,

'This Act applies to ships carrying goods from any port in Canada to any other port in Canada, or from any port in Canada to any port outside Canada, and to goods carried by such ships or received to be carried by such ships.'

Mr. MEREDITH.—Mr. Geoffrion, Duclos and myself, representing the lines we act for, would suggest an amendment to this clause by adding in the first line, after the word 'goods,' the words 'originally shipped from points in Canada.'

Hon. Sir MACKENZIE BOWELL.—Is there any objection to that?

Hon. Mr. CAMPBELL.—Yes, very material.

Mr. MEREDITH.—Our reason for asking for this amendment is, we understand the Act is intended to govern the shipment of goods from Canada and to protect Canadian shippers, and, that being the case, these words will make the Act apply to all goods whose original shipment point is in Canada. In other words, if these words are not added to the Bill we will be carrying goods that come from the States subject to the

Harter Act and also be carrying them under what I presume will be called the Campbell Act—this Bill.

Hon. Sir MACKENZIE BOWELL.—That is, you do not wish this to apply to goods in transit?

Mr. MEREDITH.—Which come from outside Canada. It seems to me that is only a reasonable amendment.

Hon. Mr. LOUGHEED.—Would a bill of lading be issued for shipments not originating in Canada? This can only apply to goods shipped under the particular bill of lading issued in Canada.

Hon. Mr. CAMPBELL.—The effect of that amendment would be to confine this Bill solely to Canadian goods originating in Canada.

Hon. Mr. LOUGHEED.—Goods shipped from any point in Canada.

Hon. Mr. CAMPBELL.—Our Montreal and Toronto men buy enormous quantities of corn in Chicago and ship via Montreal. That is not carried under the terms of the Harter Act when it comes to Montreal, Quebec, St. John or Halifax. It will be forwarded under the provisions of this Bill, and the effect of the proposed amendment would be to offer inducement to shippers to ship by United States routes. Supposing American corn, bacon, or other products came to Montreal, the effect of that amendment would be that such shipments would not come under this measure at all.

Hon. Mr. LOUGHEED.—Would you issue a bill of lading at Montreal for that particular shipment?

Hon. Mr. CAMPBELL.—Yes.

Hon. Mr. LOUGHEED.—Would not those goods originate in their shipment from Canada?

Hon. Mr. CAMPBELL.—They might not; they might originate in Chicago or Minneapolis.

Hon. Sir MACKENZIE BOWELL.—Suppose you bought a thousand barrels of flour in Minneapolis, would that shipment be invoiced direct to Liverpool via the St. Lawrence?

Hon. Mr. CAMPBELL.—Very likely.

Hon. Sir MACKENZIE BOWELL.—In that case they would have to be transhipped at Montreal; would not that be a shipment from Canada?

Hon. Mr. CAMPBELL.—No, it would not originate in Canada.

Hon. Sir MACKENZIE BOWELL.—That is the case you want to meet?

Hon. Mr. CAMPBELL.—Yes. I want the Bill as it stands to apply to everything, whether United States goods coming through Canada or not—that they should all come under this Bill.

Mr. MEREDITH.—To meet Mr. Campbell's objection to the amendment, it might be made to read this way:—

'Originally shipped from points in Canada or by residents in Canada.'

Hon. Mr. CAMPBELL.—This is the same as the Harter Act and the same as the Australian Act.

Hon. Mr. BEIQUE.—It seems to me you do not want your amendment to cover the object you have in view except these last words ' to goods carried by such ships.' I think this should be amended in some form. It seems to me too general.

Mr. GEOFFRION.—If we had amended it at the beginning we would have inserted 'such' before 'goods.'

Hon. Mr. CAMPBELL.—I move that clause 3 be adopted as it stands.

Hon. Mr. LOUGHEED.—I move that the amendment proposed by Mr. Meredith be adopted.

Hon. Mr. BEIQUE.—For my part, I would be against the first amendment altogether, but I think that the word 'such' ought to go in before 'goods.' Otherwise the Bill is altogether too wide. It would apply to all goods, to goods which would be governed by the Inter-State Act.

Hon. Sir MACKENZIE BOWELL.—The motion before the committee is to adopt the suggestion of Mr. Meredith.

The amendment was adopted.

Hon. Sir MACKENZIE BOWELL.—Then it is proposed to amend section 3 by adding in the third line, after the word 'Canada,' the following :

'Whenever a freight contract is made in Canada,'

If you adopted that it would nullify any straight contract that might be entered into in the States, for goods shipped from the United States direct by a Canadian to European ports.

Hon. Mr. LOUGHEED.—This Act can only apply to contracts made in Canada.

Mr. GEOFFRION.—You could not do more than that anyway.

Mr. MEREDITH.—We would like to have that clear.

Hon. Mr. LOUGHEED.—We could not legislate in regard to contracts outside of Canada.

Hon. Mr. ROSS.—Supposing a freighter in Chicago wanted to ship goods by way of St. John, and makes a contract through to Liverpool, would that contract not be binding all the way through ?

Hon. Mr. LOUGHEED.—Would the Harter Act come into play ?

Hon. Mr. ROSS.—Not if it were shipped from St. John. The port of debarkation is a Canadian port, and the Harter Act would not apply.

Hon. Sir MACKENZIE BOWELL.—Supposing a freight contract was made in Minneapolis to carry a thousand barrels of flour over the Canadian lines of railway and Canadian lines of steamers transhipping at Montreal, then you would be exempt from the effect of this Bill if the contract were made in the United States.

Hon. Mr. SCOTT.—Yes, and that would be discriminating against Canadian railways. I think we ought to adopt that.

The clause was adopted.

On clause 4,

4. Where any bill of lading or document contains any clause, covenant or agreement whereby—

(*a*) the owner, charterer, master, or agent of any ship, or the ship itself, is relieved from liability for loss or damage to goods arising from the harmful or improper condition of the ship's hold, or any other part of the ship in which goods are carried, or arising from negligence, fault, or failure in the proper loading, stowage, custody care or delivery of goods received by them or any of them to be carried in or by the ship; or

(*b*) any obligations of the owner or charterer of any ship to exercise due diligence, and to properly man, equip, and supply the ship, to make and to keep the ship seaworthy, and to make and keep the ship's hold, refrigerating and cool chambers, and all other parts of the ship in which goods are carried, fit and safe for their reception, carriage and preservation, are in any wise lessened, weakened or avoided; or

(*c*) the obligations of the master, officers, agents, or servants of any ship to carefully handle and stow goods, and to care for, preserve, and properly deliver them, are in any wise lessened, weakened or avoided;

that clause, covenant or agreement shall be illegal, null and void, and of no effect.

Hon. Mr. SULLIVAN.—Mr. King desired to make an amendment to this clause which was considered rather favourably by the committee last evening. It takes out about two lines. That is not rendering them liable for latent defects which could not possibly be known to them by reason of the peculiar nature or position of them. He instanced a rivet, where the head of the rivet happened to be off, and a leak was caused and of course that could not be detected.

Hon. Mr. SCOTT.—This is framed on the Australian Act, on which they have had some experience, and I should hesitate very much indeed to depart from it where it

has been already tried. We should not detract from the value of it by improper amendment.

Hon. Mr. BEIQUE.—Mr. King might take A and B together.

Mr. KING.—If I might answer first the suggestion made by Mr. Scott, it is quite true this clause as it stands in the Bill is identical with the Australian Act. We say we very much prefer the American Act, and the effect of the amendment I propose is simply to bring it almost in accordance with the American Act. We prefer that for two reasons. In the first place, we are trading on the lakes and on the St. Lawrence in direct competition with those trading under the Harter Act, and we think we should be on that basis rather than on the Australian basis, which is more severe, and the amendment I propose is not so drastic as would appear from the points which Mr. Sullivan has kindly interposed for me, because clause B must be read with clause A. The words which I propose to strike out of clause A appear in clause B after the words 'relating to the due diligence that must be exercised by the vessel owner. And the effect of my amendment is that instead of the vessel owner being an absolute guarantor of the seaworthiness of his ship, he shall be a guarantor that he shall use due diligence to make his ship seaworthy, and not be liable for latent defects. I urge that these words be taken out of clause A, and in clause B, I propose to take out the word 'and' after the words 'due diligence,' and insert it after the word 'ship' in the following line. I think this is the result of a typographical error. We assume the obligation to exercise due diligence, but we do not think we should be made absolute guarantors.

Hon. Mr. SCOTT.—Do you think it would not be fair that a shipowner should be liable for damages arising from his vessel being in an unfit condition to go to sea?

Mr. KING.—Not if it is a latent defect, of which he could have no notice.

Hon. Mr. SCOTT.—He should guarantee the safety of the vessel.

Hon. Mr. CAMPBELL.—The reason this follows the Australian Act is that it is a recent Act, only passed a few years ago. The Harter Act was passed fifteen years ago, when there was no such thing as cold storage. We want to be up to date and have the Act passed on modern lines. If you read this clause, you will see its application. Surely a ship must be liable for that, if they put goods in a hold that is unfit for them, where water has been running, or, as frequently occurs, where they dump a lot of wheat into the hold which has been used for carrying coal on the previous trip and not cleaned out. The second clause, B, refers entirely to the proper condition of the ship. The obligation is on the owner or charterer of the ship to exercise due diligence to keep their ships clean and to have them seaworthy. I do not know that there would be any objection to inserting the word 'and.'

Hon. Mr. SULLIVAN.—The ship cannot go to sea without being inspected by the portwarden, and what more do you want?

Hon. Mr. BEIQUE.—I am very much in sympathy with the Bill for two reasons: First, because the clauses that are in this bill of lading are in themselves altogether unreasonable; and, secondly, because these clauses are to my mind the means of driving business away from Canadian ports to American ports; but do not let us go to the other extreme, because if we make our bills of lading too much in favour of the shipper, it may have the same effect and work against Canadian trade. Let us bear in mind that we are in close contact with the Americans, and that our owners of vessels are in competition with American owners, and do not let us put them between two fires, so to speak. We should, I think, try to adopt a Bill as much as possible in harmony with the Harter Act, so that parties dealing with Canadian or American ports will be on a par. If it is true that the effect of striking out these words will harmonize the clauses with the Harter Bill, which I have not had time to verify, then I would be in favour of the amendment as suggested. With regard to striking out the word 'and' in clause B, there is no doubt that is quite proper.

Hon. Mr. LOUGHEED.—Could you not narrow that amendment, so as to make it apply to latent structural defects?

Mr. KING.—The effect of striking out these words is not to relieve us of a lot of

things. We are still obligated under clause B to do these things. We must keep the hold fit and safe for the reception of goods. How can we escape from liability if the Bill is amended as I propose if we do not keep the hold in proper condition to carry goods? We want to bear the burden of having exercised due care, but we do not want to do things which are unreasonable. The honourable gentleman says: 'Take the Australian Act, it is up to date.' It may be up to date from the shipper's point of view, but it may have been put through hurriedly. Traffic there may not have been affected to such an extent. Why should not the Senate of Canada take every care to protect the shipowner as well as the shipper?

Hon. Sir MACKENZIE BOWELL.—It seems to me that the point made by Mr. King has a very great deal of force. We should not, in adopting any clauses, place the American shipowner in any better position. The nearer we can bring our laws in unison with the shipping laws of the United States, as far as the carrying trade is concerned, I think it would be better for the carrying trade, and, as clause B is intended to cover the point, we might strike out these words from clause A. We know the competition Canadians have to fight continually, and if there is any method by which our ships can give greater advantages to our own ports, we should adopt that policy.

Hon. Mr. ROSS.—My first impression was that Mr. Campbell's Bill should stand as it is, but on a closer reading of subsection B, I think Mr. Campbell obtains all he desires, because the shipowner is obliged to see that the ship's hold is in a fit condition for the reception of the goods. They could not put wheat in after a cargo of coal without cleaning it, because it would not be in good condition, and they would be liable for not exercising due diligence. I do not like altering this Bill, which has been modelled after a modern Bill, but I think Senator Campbell might waive the point.

Hon. Mr. CAMPBELL.—I do not like to see the Bill altered without full consideration.

Hon. Sir MACKENZIE BOWELL.—I would not like to bind myself to the Australian legislation, because Australian legislation to-day is composed of an element we do not wish to copy—that is socialistic legislation.

The CHAIRMAN.—Really the whole protection Mr. Campbell asked for is contained in clause B with respect to the ship's hold, and I think he had better accept the amendment.

Mr. KING.—The intention is that the words 'due diligence' shall apply to the whole clause.

Hon. Mr. LOUGHEED.—It is going to be extremely difficult to determine what may lessen or avoid. That is a phraseology which would result in a very great difficulty in placing an interpretation upon it. It becomes a question of degree.

Mr. KING.—I think it is still a question to be determined in the English courts, whether it is due to lack of due diligence or to latent defects.

Hon. Mr. LOUGHEED.—But it is a question of degree, whether they can weaken or avoid the liability. I think the whole of the conditions should come under A. The owner should not be able to relieve himself from liabilty under any of those conditions. That is a point of view that might be advanced by the shipper, but it would be unfair to the shipowner to make him guarantor of things he does not know anything about, and could not be expected to.

Hon. Mr. BEIQUE.—Is it not sufficient to exercise due diligence, not only so far as seaworthiness of the ship is concerned, but all other things; for instance to keep the ship's hold and the refrigerating and cooling chambers in proper condition. Should it not be absolutely necessary to be done? Will it be sufficient to exercise due diligence? It is making the Bill rather weak.

Mr. KING.—It is making it identical with the Harter Act.

Mr. GEOFFRION.—There is nothing about the ship's hold in the Harter Act.

Hon. Mr. CAMPBELL.—Because there was not any refrigerating done.

The clause was amended and adopted.

On clause 5,

5. All parties to any bill of lading or document relating to the carriage of goods from any place in Canada to any place outside Canada shall be deemed to have intended to contract according to the laws in force at the place of shipment, and any stipulation or agreement to the contrary, or purporting to oust or lessen the jurisdiction of any court in Canada in respect of the bill of lading or document, shall be illegal, null and void, and of no effect.

Mr. GEOFFRION.—I have two distinct amendments to propose. Clause 5 deals with two distinct questions. First the question of what law will apply, and the question of jurisdiction. My first deals with the question of the law. I would respectfully ask the committee to strike out the part which declares that it is the law of the place of shipment that will necessarily apply, and I would like to point out the objections to it, and the fact that there is no reason for it. The objections are that the trial in 99 cases out of 100 will take place, not at the point of shipment, but at the point of arrival. It will be with the English consignee and the shipowners. It does not seem reasonable that the shipper should have to go to England and appear before the courts there and prove the law of the country from which the goods were shipped, which might be Quebec or New Brunswick or any other province. I submit that they should be free to apply the law of their own court. The suit may be taken in England or here, and if the suit were brought in England, you would have the English court holding that it is the English law that governs, and if the case were tried in the Canadian courts it would be the Canadian law which would govern. The originating of this clause is purely and simply the result of a passage in one of the letters written here, which said :

'As our courts apply all clauses that are to be found in the bills of lading, you had better see that those clauses are not inserted, because if they are found in the bills of lading our English courts will apply them, but if you take means to prevent the clauses appearing in the bill of lading, so long as they are not in the bill of lading there is no chance of the English courts applying them.'

I never understood the English law to be applicable between a Canadian shipper and a consignee in England. If the clauses in the bill of lading are null and void under Canadian law, the English courts will still apply them, but if they are not in the bill of lading, then the conditions of the English law applying between an English consignee and the carrier would apply. There is no fear of the English courts applying the clause, if it is not in the bill of lading, and you escape the possibility of having the same question decided according to two different laws, depending on whether it is tried in England or here, and should the English courts decide it according to the law of the place where the goods were shipped, they would have to prove the law of that place. I submit the clause loses its importance, in view of the penalty clause, which makes it impossible to put it in the bill of lading.

Hon. Mr. BEIQUE.—I would suggest that we reserve this clause for the present, and deal with the other clauses.

Mr. GEOFFRION.—As to the question of jurisdiction, although no part of this clause is in the Harter Act, there is part of it after all we think is perfectly fair, and since we cannot kill the Bill, we wish to make some alterations, and we would like to offer this compromise. We do not want to be sued in Saskatchewan or Alberta. As long as we are liable to be sued at the port where we load the vessel, is that not fair, and is it just that we should be forced, because a railway company has given, as our representative in a certain sense, bills of lading in different parts of Canada, that we should have to defend a suit at that place. We are willing to stipulate in the Bill that we shall always be sued at the place where we load.

Hon. Mr. LOUGHEED.—You would not issue that bill of lading in any province. The suit must take place on the bill of lading.

Hon. Mr. GEOFFRION.—I understand we can be sued. Sometimes the railway company, as our representative, would give jurisdiction to our being sued where the railway company received the goods. In ninety-nine cases out of one hundred we

would be sued in England, but we would ask, as a permission, that the English consignee be forced to sue us where the goods were shipped.

Hon. Mr. LOUGHEED.—Is it not only reasonable that a Canadian shipper should have the right to sue the company in Canada?

Mr. GEOFFRION.—Yes, we agree to that.

Hon. Mr. LOUGHEED.—Should it not be made elective, so that the shipper would have the right to sue in Canada without precluding the English consignee from suing in England if he wished to?

Mr. GEOFFRION.—That is my amendment, but if we are sued in Canada we want to be sued at the port of loading.

Hon. Mr. KERR.—The port of loading would be where he put it on the car.

Mr. GEOFFRION.—That would not be a port.

Hon. Mr. CAMPBELL.—The first part of the Bill makes the law of Canada prevail. Is that desirable or not? Is the shipment of goods from Canadian ports to be governed by the laws of Canada or the laws in some other country 3,000 miles away? As it has been shown, under the laws of England any clauses that the company insert in these bills of lading they must live up to. My doctrine is that these steamship companies, as they have in the past, will work in little clauses in bills that will require a microscope to read, which will play havoc with the Canadian shippers if we do not make provisions to prevent it. Now, then, we have it that the laws in Canada shall prevail and according to the laws in force at the place of shipment. Where is the place of shipment? As the Hon. Mr. Lougheed remarked, it applies to ocean-going vessels, and would not apply to Saskatchewan or Alberta. If they ship goods from Alberta or Saskatchewan to Montreal or Quebec, the steamship companies take them and give this bill of lading. So that these matters have to be considered; and then, again, what about the poor shipper? Has he to go from Saskatchewan or British Columbia to England?

Mr. GEOFFRION.—No, to Montreal.

Hon. Mr. CAMPBELL.—I just throw out these suggestions. I do not like that clause.

Mr. GEOFFRION.—If this matter is to be further considered, I should like to be heard.

The CHAIRMAN.—You shall be heard when this clause is taken up at our next meeting.

Hon. Mr. BEIQUE.—At present I would be inclined against the first amendment, but in favour of the second, but after consideration that impression might be modified.

Mr. GEOFFRION.—Senator Campbell's fear is that we will put in clauses in our bills of lading. There is $2,000 to pay for each clause we put in, and I do not think we will put in any.

The clause is allowed to stand.

On clause 6,

6. In every bill of lading with respect to goods a warranty shall be implied that the ship shall be, at the beginning of the voyage, seaworthy in all respects and properly manned, equipped and supplied.

2. In every bill of lading in respect to goods, unless the contrary intention appears, a clause shall be implied whereby, if the ship is at the beginning of the voyage seaworthy in all respects and properly manned, equipped and supplied, neither the ship nor the owner, charterer, master or agent, shall be responsible for damage to or loss of the goods resulting from—

(*a*) faults or errors in navigation,
(*b*) perils of the sea or navigable waters,
(*c*) acts of God or the King's enemies,
(*d*) the inherent defect, quality or vice of the goods,
(*e*) the insufficiency of package of the goods,
(*f*) the seizure of the goods under legal process,

(*g*) any act of omission of the shipper or owner of the goods, his agent or representative,

(*h*) saving or attempting to save life or property at sea,

(*i*) any deviation in saving or attempting to save life or property at sea.

Mr. KING.—A warranty such as we are willing to assume is implied by the English law at present. We must use due diligence to make our ship seaworthy. This subclause proposes that we shall be absolute guarantors of the seaworthiness. We have already passed that point and decided the obligation. The shipowner is to use due diligence. That is covered by the second subclause of 6, and therefore the first subclause of 6 should be struck out.

The CHAIRMAN.—Is that agreeable?

Hon. Mr. CAMPBELL.—No.

Hon. Mr. SCOTT.—We will fritter away the whole Bill.

Hon. Mr. CAMPBELL.—Why should they not give a guarantee that the ship is in good order and proper condition? Why should they not give him a warranty that they have a ship in the right condition?

Mr. KING.—It is not in the Harter Act.

Hon. Mr. CAMPBELL.—We are improving the Harter Act.

Mr. MEREDITH.—This section is taken from the Australian Act, but it is practically the equivalent of section 3 of the Harter Act, and section 3 of the Harter Act does not require the shipowner to guarantee the seaworthiness of his ship nor to use due diligence.

Hon. Mr. BEIQUE.—If we persist in the change that is made to subsection B of section 4, I think that the suggestion in the first paragraph of section 6 would have to go, because it is incomplete. The question is now, as to whether this committee is inclined to go further than Harter Act. If the Bill is to severe in that respect, the owners of vessels will be interested in directing the shipment in such a way that they will carry the goods under the Harter Act instead of under the Canadian Act, because it will be more favourable to them.

Hon. Mr. ROSS.—Does this go further than the Harter Act?

Hon. Mr. BEIQUE.—Yes.

The CHAIRMAN.—But the Harter Act would not apply to goods shipped from Canada in Canada.

Hon. Mr. ROSS.—No.

Hon. Mr. BEIQUE.—Instead of having the goods shipped by Canadian routes they will send their ships to American ports instead of Canadian ports.

Hon. Mr. ROSS.—The idea is that there are Canadian and American vessels trading on our lakes, and if the conditions are more severe on Canadian ships, shippers will send their goods by American ships.

Hon. Mr. BEIQUE.—No. I think it is open to the owners of vessels to do a great deal in the way of directing shipments from Canadian or American ports, and if the bills of lading are more severe against them under the Harter Act, they will be interested in doing that.

Hon. Mr. SCOTT.—The real question is, is the clause fair and equitable? Ought not the shipowner to give a warranty that his vessel is capable of carrying the goods, that it is seaworthy?

Hon. Mr. KERR.—It appears to me the two clauses are perfectly consistent. Clause 4 simply means that they cannot contract themselves out of their liabilities. This clause goes further and states that in every bill of lading in respect of goods, the warranty is implied that the ship shall be seaworthy, &c.

Mr. KING.—I think the clause as inserted in Mr. Campbell's Bill goes much further than can reasonably be required. The English law does not impose on us the absolute obligation or guarantee of the seaworthiness of the ship. We must be relieved from latent defects we know nothing about, provided we have taken precautions. We will be relieved if we exercise due precaution. We ask to be relieved of the obligation of guaranteeing against things we cannot control.

Hon. Mr. CAMPBELL.—You are relieved as it is.

Mr. KING.—No.

The CHAIRMAN.—You cited a case where it would be quite impossible for the owner to be aware of the defect, where a rivet or bolt had become loose between the sheeting of the vessel and the outside shell. The owner could not be cognizant of that, and that might be the cause of an accident.

Hon. Mr. KERR.—But who should suffer? If bolts were left loose or a rivet came out, who should be responsible ?

Hon. Mr. DOMVILLE.—A man would not send a ship to sea that way if he knew it.

Hon. Mr. KERR.—You are shipping your goods on board a vessel, and you cannot know what condition the vessel is in, but the shipowners have experts who attend to these things.

Mr. KING.—I think if the members of this committee were to consult any text-book upon English law relating to bills of lading, the very first item in that chapter would be this question of the guarantee that is given by the shipowner, the implied warranty as to the seaworthiness of the ship, and we merely want to be under that obligation in its reasonable form rather than in the absolute form as it appears here.

The CHAIRMAN.—You do not want any harsher conditions than under the Harter Act.

Mr. KING.—No.

Hon. Mr. BEIQUE.—Clause 6 does not properly come in conflict with clause 4, because 4 is in reference to keeping the ship seaworthy, and clause 6 deals with the condition of the vessel at the outset; but the question remains as to whether it is not going too far.

Mr. GEOFFRION.—I have re-drafted clause 2 on the same lines as Mr. King—that is taking the Harter Act clause instead of the Australian clause. I have here a re-draft of the clause as we want it ourselves. I showed it to Mr. Campbell.

The CHAIRMAN.—It has been agreed that clause 5 will stand, and I would suggest to the gentlemen who are proposing amendments that they should meet Mr. Campbell and others who are interested, and draft clauses that they would be prepared to submit to this committee at the next sitting.

Hon. Mr. ROSS.—Do you propose furher amendments to clauses 7, 8 or 9 ?

Mr. GEOFFRION.—Yes, and I propose the addition of two clauses. I have shown these to Mr. Campbell.

Hon. Mr. CAMPBELL.—Oh, yes, they cut and carve the Bill all to pieces.

Mr. KING.—I have a memorandum from the Dominion Marine Association in regard to reasonable amendments, which they think should be made in the Senate to this Bill. They are as follows :

'1. That clause (a) of section 4 be amended by striking out all the words from and including the word "arising," in line 21, down to and including the word "or," in line 25.

'That clause (b) of section 4 be amended by striking out the word "and" which follows the word "diligence," in line 28, and by inserting the same word "and" after the word "ship" where the latter first appears in line 29.'

See the wording of the corresponding sections in the American statute of 1893.

The amendment preserves the obligation to take due diligence in all the respects mentioned, and brings the section more in accord with the understanding that the vessel owner is not to be liable for any damages from latent defects (*e.g.*, broken rivets or unknown flaws in metal, against which all due care has been taken).

'2. That section 6 be amended by striking out the first clause thereof.'

It is not in the American statute.

The common law already implies a sufficient similar warranty, and the vessel owner should be permitted to free himself from liability for latent defects if he has exercised due diligence.

'3. That section 6 be further amended by striking out the words "if the ship is

at the beginning of the voyage seaworthy," in line 15, and substituting the words "if the owner of the ship shall exercise due diligence to make the ship seaworthy."'

This will accord with the American statute and with the principle of the preceding amendments, being only fair to the owner of the ship.

'4. That subclause (a) of clause 2 of section 6, be amended by adding the words "or in the management of the ship."'

This will accord with the American statute, and is just as fair as the first part of (a).

'5. That the following additional subclauses be added to clause 2 of section 6:—

'(*j*) Perils of boilers, steam, electricity or machinery, or

'(*k*) Fire from any cause on land or water, or

'(*l*) Strikes, lock-outs or other labour difficulties, or

'(*m*) Barratry of master or mariners, or

'(*n*) Calling at or taking or unloading other cargo at any other ports, whether in or out of the way, or

'(*o*) Towing or being towed.'

These subclauses are all equally fair and reasonable, and there is nothing in the proposed statute inconsistent with them. They could be inserted in a bill of lading, but it will simplify matters to have them appear with the other exemptions in the statute itself.

'6. That section 7 be amended by adding, after the words "as the case may be," in line 34, the words "stating whether it be carriers or shippers quantity or weight."'

This again accords with the American statute. Any other requirement would be most unfair, as the quantity or weight in the majority of cases cannot be checked by the carrier, *e.g.*, a cargo of grain or coal.

'7. That a separate section be inserted after section 8 in the following words, namely:—"That the shipper shall, when required, name a value for the goods shipped, which shall limit his claim in the event of loss or damage."'

'That section 8 be amended by striking out the words after the word "forthwith," in line 41, and inserting instead the words "send notice of such arrival to the address, if any, given for that purpose in the bill of lading."'

'9. That clause (d) of section 9 be struck out and the following inserted instead, namely:—"Refuses or neglects to send the notice required by section 8 of this statute."'

The committee adjourned until Thursday next at ten o'clock.

Rm 10-7-1 22

PROCEEDINGS

Keep carefully.

OF THE

BANKING AND COMMERCE COMMITTEE

OF THE

SENATE OF CANADA

IN CONNECTION WITH

BILL (Z), AN ACT RELATING TO THE

WATER-CARRIAGE OF GOODS

No. 4—MAY 14, 1908

OTTAWA
PRINTED BY S. E. DAWSON, PRINTER TO THE KING'S MOST EXCELLENT MAJESTY
1908

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MINUTES OF PROCEEDINGS

COMMITTEE ROOM No. 8,
THURSDAY, May 14, 1908.

The committee met at 10.30 a.m., the Honourable Mr. Gibson in the chair.

Bill (Z): 'An Act relating to the Water-Carriage of Goods.'

Mr. F. E. Meredith, K.C., and Mr. Amie Geoffrion, appeared for the Dominion line, the Allan line, the Dominion Coal Company, the Quebec Steamship Company, the Elder-Dempster line of steamships, the Head line and the Hamburg-American Packet Company.

Mr. A. R. Creelman, K.C., appeared for the Canadian Pacific Railway.

Mr. Francis King appeared for the Dominion Marine Association.

Mr. Victor E. Mitchell appeared for the United Kingdom Mutual Assurance Association, Limited, the Standard Steamship Owners Protection and Indemnity Association, Limited, the Furness Withy Line and the Manchester Liners, Limited.

Mr. Duclos appeared for the North of England Protection and Indemnity Association.

Mr. C. B. WATTS appeared for the Transportation Committee of the Toronto Board of Trade and the Dominion Millers' Association.

The CHAIRMAN.—I may say to the committee that a letter has been addressed to me by the William Thomson Company, dated May 11, inclosing a copy of a letter sent to the Honourable William Pugsley, Minister of Public Works, requesting that the letter be printed in the Minutes of Proceedings. The letter reads as follows:—

Agency Dept.

1 WILLIAM THOMSON & COMPANY,

Steamship Owners and Agents, Insurance Managers and Brokers,

ST. JOHN, N.B., May 11, 1908.

Senator GIBSON,
Chairman of Committee, Bill relating to Water-Carriage of Goods,
Ottawa, Ontario

DEAR SIR,—We inclose copy of our letter to the Honourable Wm. Pugsley, Minister of Public Works, in regard to this Bill, and request you to be good enough to read same to the committee as to our protest, and to print it in the minutes of the committee's proceedings.

Yours truly,
WM. THOMSON & CO.

Enc. letter.

(Copy) April 27, a.m., 1908.

Hon. WM. PUGSLEY,
Minister of Public Works,
Ottawa, Ontario.

BILL RELATING TO THE WATER-CARRIAGE OF GOODS.

DEAR SIR,—We thank you for Senator Campbell's letter of the 18th, which we return herewith.

We must ask you as our representative to take our part in dealing with the Bill, and it is impossible for us to go to Ottawa to discuss this question.

Surely Senator Campbell is not serious in advocating United States legislation to Canadian maritime affairs, when it is an acknowledged fact that the American Republic is about the smallest ship-owning nation in the world per capita, and he also should not bring into this northern climate, peopled as it is by a calm and thoughtful race, the fanatical legislation of Australia, which has driven capitalists and manufacturers out of the country. What our neighbours are doing or what the people on the other side of the world think is right, should carry no weight with the Canadian, but we should rather profit by these other people's experience, and go slow in putting through laws that will unduly harass, and only enrich the legal fraternity.

We take exception to his remarks that a steamship company can under the terms of the bill of lading stow in dirty places of the vessel perishable or any other cargo without penalty. We say distinctly that they cannot do it, and we do not know of a case wherein claims were not paid when the steamship company was at fault for bad stowage or improper care of consignments.

The fact that the Canadian government is spending millions of money to improve the harbours and subsidize steamship companies to help out the manufacturers, has nothing to do with the Bill.

We notice a very funny remark of the honourable gentleman's when the Bill was up for discussion, in which he stated that quarantine charges should be borne by the ship and not by the goods. We should judge that the owner of the goods was paying for transportation only and gets what he pays for. The quarantine contingency is exceedingly remote, but when it does occur it should be borne by each interest in proportion to valuation, viz: steamship and cargo.

We think that Senator Campbell should be asked to cite actual cases and not work up possibilities under which owners of merchandise might not have been able to recover on account of the clauses in the bills of lading. It would almost appear from his address before the Banking and Commerce Committee that he had taken the bill of lading and dissected it and made out hypothetical cases which he figured might occur, not real ones. We know in actual practice in loading steamers that every care is taken in handling and preserving goods, and that the steamship companies are in the habit of doing more than they could be called upon to do under common law, let alone the bill of lading exceptions, purely as a matter of policy, and with the idea of retaining the connection and patronage of the shippers and importers.

If it were not for certain clauses in the bill of lading the carrier would be open to bogus claims, which, while in the end would be defeated, would entail a vast amount of work and correspondence. The honest and straightforward shipper need have no hesitation in working under the present receipts, nor have we, in our thirty-five years of experience in the shipping trade, ever known of a man who did not get a square deal.

The honourable gentleman quotes the procedure in the United States as being something that we should emulate. We have had experience with our own steamer *Cheronea*, on which through bills of lading were granted for cotton to be shipped by her, and same has never yet turned up although eighteen months have lapsed. Meantime the ship has had to pay the claim, although the cotton was never put on board. Do we want that kind of business in Canada?

In regard to the clause 'All controversies on this Bill should be settled by Canadian law in Canada.' We think you can hardly be serious in asking the receivers to come out to Canada to fight a steamship company under the laws of Canada and in a Canadian court. This clause alone will defeat the object of the extension and protection of commerce, inasmuch as it will divert Canadian goods through American ports, because the receivers could not afford to come back to Canada to enter into controversies in Canadian courts, and could not collect any claims at all in England.

Reference is made to the liability of the railways vs. the liability of the steam-

ship company, but we would venture to wager that if you pick out half a dozen importers or shippers in the Dominion and ask them who gave them the greater satisfaction, the railway or the steamship company, in settling claims, you would find at least five out of the number that would say the steamship company.

There also seems to be through the whole evidence a desire of unnecessary haste on Mr. Campbell's part, and possibly he may have foreseen that people would require facts not allegations of the iniquities of the practice of the present bills of lading before making any change.

There seems to be an idea that shipping via the United States ports was favoured by the insurance companies on account of the bill of lading form, and this is not so. We own two companies that issue marine insurance, and the bill of lading form has absolutely nothing whatever to do with the rates.

As representing the largest Canadian fleet of steamers outside of the C. P. R., we ask that the government give a most searching investigation into the subject and appoint a commission to take evidence so that both sides will be heard, and this commission is to travel over the country, interviewing the principal shippers as well as the shipowners, and thus arrive at a decision where calm and thoughful legislation can be put through.

It must strike everybody as being very funny that the Imperial government, who are rather notorious for working against the shipping interests, should not have put through a Bill dealing with the terms of the ocean carrier's receipt if they should have found it necessary and needful, and we then would not have quoted to us what the Commonwealth of Australia has done, or any other similar power that does not rank to any extent in commercial vessels.

The Honourable Senator must be joking when he says that his Bill will rectify 'A condition of affairs that has become intolerable,' and it strikes us as peculiar, if it has become intolerable, why we who are using perhaps a thousand of these documents each week, should be in our thirty-five years' experience without one single complaint until we heard of his Bill.

Yours truly,

(Sgd.) WM. THOMSON & CO.'

The CHAIRMAN.—I may say, for the information of the committee, that the suggestions that they made with regard to the commission, and all that are in a letter dated April 27.

Hon. Mr. CAMPBELL.—I think my letter to which that was a reply should go with it.

The CHAIRMAN.—It is simply as a matter of courtesy that we have a right to place this in our proceedings.

Hon. Mr. CAMPBELL.—All I have to say is that, acting on your suggestion after our last meetng, Mr. Watts and Mr. Plewes, representng the Board of Trade of Toronto, and myself, met Mr. Meredith, Mr. Geoffrion, and other gentlemen representing the steamship companies, and after a considerable amount of discussion we have practically agreed upon all clauses, 5, 6, 6a, 7, 8, 9, 10, 11, and 12, the last two being claus-s that are to be added to the Bill. I may say that this has been a compromise on our part. I preferred the Bill as it was printed, but I recognized that the claims made by the shippers were pretty strong, and in some cases we have modified the clauses. I think, on the whole, it is a fair and honest Bill, and the gentlemen representing the steamship companies are satisfied with the amendments that have been made. I think Mr. Meredith will concur in what I have said in reference to this conference, and of course all these amendments are made subject to the concurrence of the committee. We cannot bind the committee of course.

Hon. Sir MACKENZIE BOWELL.—Are there any points on which you have materially differed that may come up?

Hon. Mr. CAMPBELL.—I have agreed upon all of these.

Hon. Sir MACKENZIE BOWELL.—What about the other points?

Hon. Mr. CAMPBELL.—There were some amendments we contended for that they did not allow.

The CHAIRMAN.—Who has provided copies of the clauses?

Hon. Mr. CAMPBELL.—I have prepared them myself.

The CHAIRMAN.—We have not received copies yet.

Mr. MEREDITH.—I am glad to be able to state that after a lengthy interview with Mr. Campbell and some of the promoters of the Bill, certain amendments were agreed to, in so far as we could agree to anything, naturally subject to the approval of the Senate and Parliament. The Bill in its present form is as satisfactory a Bill as we could hope to get from Mr. Campbell and the pr moters. There is only one question that we have agreed with Mr. Campbell to leave open, and that is the question of the constitutionality of the Bill. That is a question of law, and we do not intend to take up your time in discussing it this morning. We would suggest a clause being added to the Bill——

The CHAIRMAN.—You have agreed to certain things and now you have something else in addition?

Mr. MEREDITH.—Yes. We only wish a clause to be added to the Bill as follows:—

'Upon the passing of this Act, the Governor in Council shall submit to the Supreme Court of Canada for its determination the question of the competency of this parliament to enact any or all of the provisions hereinbefore set forth and there shall be an appeal to His Majesty's Privy Council from the decision of the Supreme Court on such submission.'

We merely suggest this.

The CHAIRMAN.—That would be an anomalous position to put parliament and the government in.

Mr. MEREDITH.—We are not asking the Senate or this committee to insert this provision, but we wish to be perfectly candid, as we have been with Mr. Campbell, in stating that we are going to ask parliament to test the constitutionality of this Bill as the government have done in other cases.

The CHAIRMAN.—What you mean by that is, you will ask the government to refer it to the Supreme Court for their consideration and opinion, but you would not ask this committee to sit in judgment and say, after all the work we have done, you will ask the government of Canada to go into a law suit?

Mr. MEREDITH.—No.

The CHAIRMAN.—We have reached clause 5 of the Bill which was allowed to stand. Now, in view of the old clause, the following is proposed:—

'Every bill of lading or document relating to the carriage of goods from any place in Canada to any place outside of Canada shall contain a clause to the effect that the shipment is subject to all the terms and provisions of, and all the exemptions from liability contained in this Act, and any stipulation or agreement purporting to oust or lessen the jurisdiction of any court having jurisdiction at the port of loading in Canada in respect to the bill of lading or document, shall be illegal, null and void and of no effect.'

Hon. Mr. Ross (Middlesex)—Does that amendment mean that the law of England and not the law of Canada shall govern in determining matters arising under a bill of lading?

Hon. Mr. CAMPBELL.—No. The latter part of the clause is precisely the same as it appears in the Bill with the exception of inserting the words 'At the port of loading' before the words 'in Canada.'

THE LAW CLERK.—What about a case where the contract is not made at the port of loading?

THE CHAIRMAN.—The agreement made is at the port of loading of the steamship company.

THE LAW CLERK.—Take a case where the contract is made in Ontario for shipment at Quebec, what court has jurisdiction over that contract?

THE CHAIRMAN.—Do not let us open up a new question. At the last meeting of

the committee that question was raised where the trial should take place, and someone pointed out that it might arise in the far west. With respect to that common sense would lead anyone to know that the point of loading was on the railway, and the railway would be amenable for any damage done to the property, and then when it comes to the shipping company they can take up the point of loading at their own wharf, and the courts then have jurisdiction at the port of loading, Quebec, Montreal or whatever the point of loading is.

The amended clause was adopted.

THE CHAIRMAN.—For clause 6, the following is proposed:

'If the owner of any vessel transporting merchandise or property from any port in Canada exercises due diligence to make the vessel in all respects seaworthy and properly manned, equipped and supplied, neither the vessel nor the owner, agent or charterer shall become or be held responsible for loss or damage resulting from faults or errors of navigation or in the management of the vessel.'

The proposed clause was adopted.

On clause 6-b.

Mr. GEOFFRION.—I think the clause 6-b, which is an exemption from liability, should come in here.

Hon. Mr. CAMPBELL.—Yes.

'The ship, her owners, charterer or agent shall not be liable for loss or damage to or in connection with goods for a greater amount than $100 per package, unless a higher value is stated in the bill of lading or other shipping documents, nor for any loss or damage if the net value of such goods has been falsely stated by the shipper, unless such false statement had been made by inadvertence or error. The declaration by the shipper as to the nature and value of the goods shall not be considered as binding and conclusive on the ship, her master, owner, charterer or agent.'

Hon. Mr. BOWELL.—How far will that relieve the carrier from liability? Supposing an article was worth one thousand dollars instead of one hundred?

Hon. Mr. CAMPBELL.—Then the shipper must declare the value. If he does not declare the value, they will not be liable for more than one hundred dollars.

The sub-clause was adopted.

On clause 7.

'Every owner, charterer, master or agent of any ship carrying goods, shall, on demand, issue to the shipper of such goods a bill of lading showing, among other things, the marks necessary for identification as furnished in writing by the shipper, the number of packages, the quantity or the weight, as the case may be, and the apparent order and condition of the goods as delivered to or received by such owner, charterer, master or agent; and such bill of lading shall be *prima facie* evidence of the receipt of the goods as therein described.'

The clause was adopted.

On clause 8.

Hon. Mr. CAMPBELL.—The law clerk has drafted clause 8 in a slightly different form which means the same thing, but in clearer language.

THE CHAIRMAN.—It reads as follows:—

'When a ship arrives at a port where goods carried by the ship are to be carried, the owner, charterer, agent or master of the ship shall forthwith give such notice as is customary at the port to the consignee of goods to be delivered there that the ship has arrived.'

The clause as amended was adopted.

On the proposed amendments of clause 9:

(9) 'Everyone who being the owner, charterer, master or agent of a ship.

(*a*) inserts in any bill of lading or document any clause, covenant or agreement declared by this Act to be illegal, or makes, signs or executes any bill of lading or document containing any clause, covenant or agreement declared by this Act to be illegal, without incorporating *verbatim* in the same bill of lading or document clause 4 of this Act.

Hon. Mr. CAMPBELL.—In regard to paragraph (*a*) I suggest that after the word *verbatim* we insert the words 'in conspicuous type' or 'in large type.'

Hon. SIR M. BOWELL.—Unless you use the word 'conspicuous' you would have to designate the class of type, and I think the word conspicuous is a better one.

The paragraph (*a*) was amended and adopted.

Paragraphs (*b*) and (*c*), as proposed to be amended, were adopted, viz:

(*b*) refuses to issue to a shipper of goods a bill of lading as provided by this act; or

(*c*) refuses or neglects to give the notice of arrival of the ship required by this Act.

On the concluding portion of clause 9, viz: 'is liable to a fine not exceeding two thousand dollars, with costs of prosecution, and the ship may be libeled therefor in any admiralty district in Canada within which the ship is found.'

Mr. GEOFFRION.—I understand there was objection to this on the ground that if you did not provide that it should be an indictable offence there would be no means of recovery. Section 1038 of the Criminal Code provides that where a penalty is imposed and no mode of recovery is suggested, that the amount is recoverable by an action of the civil court.

THE LAW CLERK.—I want to know how you are going to proceed, because there is a difference between a prosecution for an offence and the recovery of a penalty by civil action. In the case of a prosecution, if it is for a summary offence, you go before a magistrate and get the matter settled in a comparatively short time, perhaps within a day or two after the complaint is laid. If it is a prosecution for an indictable offence, the offender is tried at the next court of criminal sessions. If it is, under section 1038 of *The Criminal Code,* recoverable by civil action, you enter an action in the courts in the ordinary way and are subject to all the delays, inconveniences and appeals incident to such a proceeding. I think that the provisions of nearly all Dominion Acts are enforced by penalties, which penalties are recoverable under *The Criminal Code* by criminal procedure.

Mr. GEOFFRION.—They could not bring us before the Recorder's Court or magistrate to decide that question, because that tribunal could not libel the ship; it would have to be a proceeding in a higher court. The penalty is a very large one, and it seems to me it is only fair that it should be recoverable in a higher court.

Hon Mr. CAMPBELL.—I simply want to make the Act perfect and workable, if the procedure can be followed out under the Act, all right.

Hon. Mr. Ross (Middlesex).—The matter is too large for a magistrate. Let it go before the High Court.

The LAW CLERK.—I would not like to be understood as suggesting a policy or expressing approval or disapproval of a policy. If I were expressing an opinion, I would say you should not make this an offence punishable on summary conviction. Apart from that, the questions that might arise, are too important to be determined on an indictment in a criminal court, where there is no appeal.

The amended clause was adopted.

On clause 9A:—

'Any person or persons shipping goods of an inflammable character or explosive or dangerous character without full disclosure of their nature made to the master or

officer in charge of the ship or its agent prior to shipment and without permission obtained from him, which permision must appear in the bill of lading, shall be liable, if done with his or their knowledge, to a fine of $1,000. Such goods may at any time before delivery be confiscated or destroyed without legal process by the said master or officer in charge of the ship, without compensation to the shipper, owner or consignee, and the shipper shall be responsible towards the shipowner or charterer for all damages directly or indirectly arising out of such goods.

Mr. GEOFFRION.—Our interests are the same in this matter.

Hon. Mr. SULLIVAN.—If they are anxious to ship dynamite, and give the master of the vessel a large amount for it, he will carry it. The thirst for money is greater than the desire to save life.

The CHAIRMAN.—If any person attempts to put nitroglycerine or anything of that kind on a vessel, the owner has the right to refuse to accept it. But if he puts it on board without his consent and knowledge, this is a fine that is put upon him.

Hon. Mr. Ross (Moosejaw).—A fine is no good.

Hon. Mr. SULLIVAN.—They should not be allowed to carry such stuff. Carriers accept goods and do not take proper precaution. It is done every day.

The CHAIRMAN.—Not at all.

Hon. Mr. SULLIVAN.—How about that dynamite explosion in Essex county not very long ago?

The clause was adopted, to be re-drafted by the Law Clerk.

The CHAIRMAN.—The following is offered as clause 9B:—

'Such goods may, at any time, before delivery, be confiscated or destroyed without legal process by the said master or officer in charge of the ship without compensation to the shipper, owner or consignee, and the shipper shall be responsible towards the shipowner or charterer for all damages directly or indirectly arising out of the shipment of goods so shipped.'

The clause was adopted, to be re-drafted by the Law Clerk.

The CHAIRMAN.—Then the following is offered as clause 9C:—

'This Act shall not apply to any bill of lading or document made pursuant to a contract entered into before this Act comes in force.'

The clause was adopted.

The CHAIRMAN.—Then there is the following:—

'This Act shall come into force on the 1st of September, 1908.'

What have the shipowners to say to that?

Mr. MEREDITH.—We agree to that.

Hon. Mr. CAMPBELL.—The reason the first of September is taken was that the fall trade, the shipment of wheat and a mass of traffic is going forward then. What would happen suppose it did not receive the Royal assent before the 1st of September?

The LAW CLERK.—Then it would come into force at the date of the Royal assent.

The clause was adopted.

It was resolved to report the Bill as amended, and reprinted.

The committee adjourned to the call of the Chairman.